

**ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND LEBANON**

The Association Council

**Brussels, 17 July 2017
(OR. en)**

UE-RL 3001/17

MINUTES

Subject: Seventh session of the EU-Lebanon Association Council
8-9 February 2015
Brussels

SUMMARY

1. Adoption of the agenda.....	3
2. approval of the draft minutes of the sixth eu-lebanon association council (brussels, 17 october 2012/doc. 3002/15)	3
3. situation and outlook as regards eu-lebanon relations.....	4
3.1. Political and socio-economic developments in Lebanon.....	4
3.2. Implementation of the Association Agreement and of the ENP Action Plan	6
4. Political Dialogue on matters of common interest*	10
 Signature of the Protocol to the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Lebanon, of the other part, on a Framework Agreement between the European Union and the Republic of Lebanon on the general principles for the participation of the Republic of Lebanon in Union programmes	
ANNEX I: Agenda.....	11
ANNEX II: List of participants from EU.....	12
ANNEX III: List of participants from Lebanon.....	13
ANNEX IV: Statement by the European Union	14
ANNEX V: Statement by the Republic of Lebanon	23

Brussels, Monday, 9 February 2015

The EU-Lebanon Association Council held its seventh session on Monday, 9 February 2015 in Brussels.

This seventh session was chaired by Ms. Federica MOGHERINI the High Representative of the Union for Foreign Affairs and Security Policy.

The European Commission was represented by Commissioner Mr Johannes HAHN.

Lebanon was represented by Mr. Gebran BASSIL, Minister of Foreign Affairs of Lebanon who led the Lebanese delegation.

Opening remarks

Ms MOGHERINI welcomed the Lebanese Minister and delegation and thanked for the fruitful and open discussion held during the restricted session. Mr BASSIL expressed his gratitude to the EU and the High Representative for chairing this seventh session of the Association Council between Lebanon and the EU and welcomed the presence of Commissioner HAHN. Ms. MOGHERINI reiterated the EU's support towards Lebanon, a country that has been confronted with regional circumstances leading to serious security and humanitarian difficulties. Mr BASSIL expressed his satisfaction for the opportunity to take stock of the progress accomplished in Lebanon and for being able to discuss new avenues for future cooperation.

1. **ADOPTION OF THE AGENDA**
2. **APPROVAL OF THE DRAFT MINUTES OF THE SIXTH EU-LEBANON ASSOCIATION COUNCIL (BRUSSELS, 17 OCTOBER 2012/DOC. 3002/15)**

Subsequently, the agenda of the meeting and the draft minutes of the previous meeting on 2012 were adopted.

3. SITUATION AND OUTLOOK AS REGARDS EU-LEBANON RELATIONS

3.1. POLITICAL AND SOCIO-ECONOMIC DEVELOPMENTS IN LEBANON

Mr BASSIL underlined that the EU is Lebanon's first trade partner and main provider of direct development aid and recalled Lebanon's commitment, which was also illustrated by the recent adoption of the Protocol to the Euro Mediterranean Agreement and the mobility dialogue. The minister mentioned the importance of a renewed European Neighbourhood Policy (ENP) and, in this context, recalled the offer to host a sub-regional meeting of EU country partners in Lebanon. Concerning developments in Lebanon, the safeguard of its political security and economic stability remained the ultimate goal, despite the institutional domestic challenges related to the delay of the election of a new President of the Republic and the move towards the adoption of a new electoral law which would enable fair and equitable representation. On the regional front, he highlighted the Syrian crisis that caused the deterioration of the security environment and had put a serious strain on Lebanese economy together with, the continued occupation of parts of Lebanese territory by Israel, which triggered continued concerns relating to Lebanese air space and maritime borders.

On behalf of his country, Mr. BASSIL presented its condolences to the kingdom of Spain, for the assassination of a Spanish UNIFIL peace keeper by Israeli shelling targeting Lebanese territory and reaffirmed Lebanon's full commitment to the complete implementation of UNSCR 1701. He reiterated his country's appreciation for the continued participation of contingents from EU member States and the UNIFIL mission to the south of the country.

Concerning the fight against terrorism, Mr BASSIL spoke in favour of an integrated approach combining security reinforcement and long term development projects as the key for success. He believed in a concerted approach and informed about the upcoming EU-Lebanon experts' workshop in the field of counter-terrorism to be hosted in Beirut where he hoped for tangible outcomes. He also mentioned the need for a meeting of international criminal law experts in order to explore ways to judge perpetrators enrolled in Da'esh.

With regard to the refugees and displaced persons' crisis, the Lebanese government had adopted a policy paper aiming at stopping the mass influx of Syrian nationals into the territory and reducing the numbers of those already present. Lebanon called the international community and the EU Member States to reconsider the resettlement policies and added that the only durable political solution to the ongoing crisis in Syria should include the repatriation of Syrian nationals displaced into neighbouring countries. Also, the migration strand across the Mediterranean was considered alarming and the stalemate of the Arab-Palestinian Peace Process the most destabilizing factor in the region. To end his intervention on a positive note, he referred to the offshore discovery of substantial reserves of gas as a source of hope for Lebanon, for the region and for Europe since they offered a sustainable alternative source and route of energy supply hence limiting the dependence on traditional suppliers. He acknowledged EU' assistance to Lebanon with development and humanitarian funds and hoped for its increase and continuous support.

Ms. MOGHERINI reiterated EU's strong solidarity with Lebanon's difficult situation and challenges faced by the country and recalled previous discussions on possible cooperation in the security field and in the fight against terrorism. She also stressed the importance of an effective functioning of State institutions in Lebanon, not only to be able to put in place appropriate policies to cope with the current crisis, but also to be able to advance on the most pressing social and economic issues. In this regard, the EU repeatedly called on Lebanon to advance the election of a new President, enable holding the parliamentary elections and revive the legislative function of the Parliament. She also highlighted the importance of advancing on socio-economic reforms, not least in the most underdeveloped parts of the country, in order to alleviate the burden that the current situation laid on the Lebanese population. A fiscal consolidation strategy and structural reforms were needed, notably with a view to strengthening public finance management and reforming the tax system towards greater efficiency and equity. Furthermore, measures already included in the reform agenda, such as adoption of the State budget, adjustment of economic policies to promote growth and entrepreneurship, law enforcement, should be improved. Though problems already existed before the Syrian crisis, the spill-over from this crisis had significantly exacerbated the difficult socio-economic situation, specially in the hosting communities, and the EU stood ready to endure its support to Lebanon and counted on Lebanese policy decisions to be taken to partner this readiness from the EU in order to work on all relevant sectors.

3.2. IMPLEMENTATION OF THE ASSOCIATION AGREEMENT AND OF THE ENP ACTION PLAN

Commissioner HAHN welcomed the intense dialogue in the framework of the European Neighbourhood Policy, and the accomplishment of almost all technical subcommittee meetings expected in 2014 due to the Lebanese fortitude and despite the challenging circumstances. He also welcomed the commitment of Lebanon to further engage with the EU and develop the cooperation in the field of mobility and migration, also one of Lebanese key priorities. The mobility dialogue successfully launched in December 2014 would be further followed up by technical meetings, which could provide Lebanon with answers to its needs. The support of the Security Sector Reform in Lebanon would remain through the backing of all security agencies and, in particular the Lebanese Armed Forces, and by further advancing cooperation in the field of counter-terrorism which would be discussed in Beirut. Despite recognising the difficult situation around Lebanon, he regretted that no further steps in the implementation of the Association Agreement and the ENP Action Plan had been taken. At the end of the second ENP Action Plan (2013-2015), there were no major achievements to be noted, even though minor or gradual achievements were ongoing in the security sector. In this respect, many necessary reforms and Action Plan priorities were crucial to address the grievances of the Lebanese population and maintain the stability of the country in the context of the institutional crisis caused by the lack of President, budget and legitimate decision making. The Commissioner mentioned how this context had an impact on the EU's ability to deliver support. Nevertheless, he welcomed the Lebanese progress in protecting human rights, in particular women's rights, and encouraged Lebanon to comply with the international standards to which it subscribed. He thanked Lebanon for its input for the ENP review which was most welcomed also by Commissioner Stylianides. He expressed his appreciation for the constructive engagement of Lebanon in South Mediterranean regional activities, in particular the pro-active engagement in the Union for the Mediterranean and welcomed the visit of the UfM Secretary General, Fathallah Sijilmassi, to Beirut.

Concerning the Association Agreement's implementation, he urged Lebanon to speed up the World Trade Organization (WTO) accession process and encouraged the country, in particular, to finalise the adoption of the remaining economic and trade legislation, as well as to progress on the services negotiation track. The EU should continue to support Lebanon's WTO accession process, including through relevant technical assistance. He also recalled the need to accelerate the ratification of the Protocol for the Dispute Settlement Mechanism (DSM) for the resolution of trade disputes and encouraged further progress towards negotiations of the EU-Lebanon Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA), which could bring important benefits for Lebanon. Finally, he encouraged Lebanon to continue the alignment of its legislation with the EU acquis and the adoption of EU standards to upgrade its infrastructure, including a reform of Lebanon's market surveillance system, highlighting the EU's readiness to provide support in all mentioned fields, including through technical assistance.

Mr. HAKIM, the Lebanese minister of Economy and Trade, welcomed the new European leadership and considered the 7th Association Council meeting timely and essential. He recalled the unprecedented threat situation on which Lebanon and the region lived in and how this impacted on stability around the world. In this regard, he confirmed how Lebanon appreciated EU's contribution and valued its partnership and the development of the existing special relationship. On behalf of his country, he requested additional EU political, economic, humanitarian, and social engagement in the region, especially in Lebanon, whose development and progress in the implementation of the government reform agenda had been curtailed by the uncertain environment that had affected Lebanese economic growth and development. Mr. HAKIM recalled that, up until 2010, Lebanon's economy was relatively stable and witnessed strong performances in many sectors, particularly in the construction, tourism and banking sectors having an economic growth rate between 7.5 % and 9%. This trend had been reversed in 2011, following political stalemates at the domestic level and deteriorating economic and security situation as a result of the regional Syrian crisis. In addition, the unexpected need to host an unprecedented number of displaced Syrians, whose number exceeded 1.5 million people accounting for more than 40% of the Lebanese population, had resulted in weakening the social, economic and security situation, which in turn led to slow down the implementation of the Lebanese government reform plan.

The discouragement in tourism and private investments and the decrease in exports had caused higher unemployment rates and levels of poverty. The deterioration in external imbalances and public finances, the increasing demand for public services to provide water, energy, health, education, security and waste management, which had led to a growing pressure on government spending and, last but not least, the concern with high birth rates among refugees were also underscored. Despite the above mentioned challenges for Lebanon, the economy managed to grow by 2 % on average in the previous four years. Yet, in order for Lebanon to achieve higher and sustained rates of economic growth, the government had to put in place a set of reform measures. Lebanon was looking forward towards a better cooperation with the EU and the support provided by the EU and the MS on all political, economic, social security and cultural levels was much appreciated. Nine subcommittees out of ten had been established to deal with topics in the framework of the ENP Action Plan, such as: economic and financial matters, research, innovation, information society, education and culture, transport, energy and environment, human rights democracy and governance, justice and security, social and migration affairs, industry, trade and services, internal markets and customs cooperation and taxation. In February 2013, two successful Association Committees had taken place in Beirut to discuss the implementation of the Association Agreement and the related ENP Action Plan. Within this resilient mind-set, Lebanon wished to outline its progress as the country continued to exert many efforts to uphold its commitments and sustain its strong engagement with the EU, despite the complex political and security situation and the impact of the Syrian crisis. The Minister underlined achievements within the current cooperation, such as the approval of the new EU-Lebanon Action Plan 2013-2015, a MoU for the Single Support Framework 2014-2016, the Protocol relating to Croatia's accession to the EU, the Pan-Euromed convention on rules of origin, the Protocol related to the participation in EU programmes and Agencies and the dialogue on Migration and Mobility with the EU. Concerning the review of the ENP, Lebanon welcomed the ongoing work undertaken by the European Commission and urged to convene a regional conference in Lebanon, to develop the new vision of the ENP in view of: 1. more flexible mechanisms and instruments of cooperation; 2. an expansion of financial envelopes to meet up with the reform burden; 3. additional engagement of the EU and its Member States in the resolution of the crisis in the region.

Moreover, the Minister thanked the European Delegation in Lebanon for the support provided over the years and mentioned a good number of successful cooperation achievements, with different ministries and entities, namely at the level of capacity building activities for industries, as well as quality enhancement and SMEs support projects. At the level of judiciary and internal security reform, education strategy implementation, energy, water and environment, several initiatives and projects were being implemented and carried out successfully. In addition, Lebanon called on the support of the EU as a main partner and lead donor to support and exert every possible effort to: 1. Preserve the country's sovereignty; 2. Strengthen the Lebanese Armed security Forces; 3. Reinforce State institutions; 4. Support Lebanon's economic and social development; 5. Assist the impoverished hosting Lebanese communities. Concerning the EU Lebanon Action Plan 2013-2015 and the Single Support Framework for the years 2014-2016, Lebanon evoked the request to separate the allocation for reform and development from EU's support regarding the Syrian crisis.

Commissioner HAHN reassured the Lebanese Minister of the EU's and MS' awareness regarding Lebanon's efforts to deal with the refugee crisis and related economic difficulties underlining the willingness of all to see the situation progressing so that refugees might get an opportunity to move back to their home countries.

Nonetheless, he welcomed the efforts of the Lebanese government to keep the necessary reform path, in particular in the economic sector, the focus on SMEs and confirmed the ongoing financial support in the area of security-related activities, which was totally justified by the current circumstances. Finally, he recalled the need to differentiate between the bilateral financial support to Lebanon beyond the actual crisis and the financial support to meet all the challenges related to the Syrian crisis, where the support from MS was also necessary. He thanked Lebanon for the strong interest in the ENP review process and for the availability shown to hold a conference on the subject.

Closing remarks

Commissioner HAHN thanked the delegations and respective teams and invited all participants to join the ceremony for the signature of the Protocol on a framework agreement between the European Union and the Republic Of Lebanon on the general principles for the participation of the Republic of Lebanon in Union Programmes.

4. POLITICAL DIALOGUE ON MATTERS OF COMMON INTEREST*

*session held in restricted format

**ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND LEBANON**

The Association Council

Brussels, 30 January 2015

UE-RL 3001/15

PROVISIONAL AGENDA

Meeting:	Seventh session of EU-Lebanon Association Council
Date	9 February 2015
in :	Brussels

1. Adoption of the agenda
2. Approval of the draft minutes of the sixth EU-Lebanon Association Council (Brussels, 17 October 2012)
3. Situation and outlook as regards EU-Lebanon relations
 - 3.1. Political and socio-economic developments in Lebanon
 - 3.2. Implementation of the Association Agreement and of the ENP Action Plan
4. Political dialogue on issues of common interest *
 - 4.1. Developments in Lebanon and implications of the crisis in Syria
 - 4.2. Regional developments
5. Any Other Business

* Points to be dealt with in the informal session

UE-RL 3001/15

DG C 2B

DM/II

1
EN

7th EU-LEBANON ASSOCIATION COUNCIL

(Brussels, 9 February 2015)

EU DELEGATION

Ms. Federica MOGHERINI, Vice-President, High Representative of the Union for Foreign Affairs and Security Policy*

Mr. Johannes HAHN, Commissioner for the ENP and Enlargement Negotiations*

Mr. Oliver RENTSCHLER, member of Cabinet, HRVP Mogherini*

Mr. Colin SCICLUNA, member of Cabinet of Commissioner Hahn*

Mr. Hugues MINGARELLI, Managing Director EEAS.IV*

Ms. Angelina EICHHORST, Head of EU Delegation to Lebanon*

Mr. Vassilis BONTOSOGLOU, Head of Division EEAS.IV.A.1*

Mr. Fabrizio DI MICHELE, Chair of Maghreb/Mashrek Working Party, EEAS

Ms. Nacira BOULEHOUAT, Deputy Head of Division, EEAS.IV.A.1

Ms. Adriana BRASSART, Desk Officer for Lebanon, EEAS

Mr. Michael KOEHLER, Director, DG NEAR*

Ms. Raffaella IODICE, Head of Unit, DG NEAR

Mr. Luis AMORIM, Head of Unit, Unit "Security" Co-Secretary of the EU-Lebanon Association Council*

Mr. Dimosthenis MAMMONAS, Administrator in charge of the Maghreb/Mashrek Working Party

* Participants to the Informal Political Dialogue and the formal Plenary session.

7th EU-LEBANON ASSOCIATION COUNCIL

(Brussels, 9 February 2015)

LEBANESE DELEGATION

SEM Gebran BASSIL, Ministre des Affaires Etrangères et des Emigrés*

SEM Arthur NAZARIAN, Ministre de l’Energie et des Ressources hydrauliques*

SEM Alain HAKIM, Ministre de l’Economie et du Commerce*

SEM Rami MORTADA, Ambassadeur, Chef de la Mission du Liban /UE*

SEMme Dona BARAKAT TURC, Ambassadeur/MAE Beyrouth*

M. Walid NASR, Chef du département de la planification stratégique/Autorité de l’Energie*

M. Nasser HOTEIT, Chef du département technique et d’ingénierie/ Autorité de l’Energie*

Mme Reina CHARBEL, Conseiller, Mission du Liban/UE*

M. Rami ADWAN, Chef de Cabinet du Ministre/MAE Beyrouth*

M. Wael HACHEM, Section Union européenne/MAE Beyrouth*

M. Talal DAHER, Secrétaire, Mission du Liban/UE*

Mme Rafif BERRO, Chef de l’Unité des Relations extérieures/Min. Economie Beyrouth*

M. Youssef JABRE , Secrétaire, Mission du Liban/UE

M. Fouad KHAZZAKA , Secrétaire, Mission du Liban/UE

Mme Pascal DAHROUJ, Conseiller du Ministre des Affaires Etrangères et des Emigrés

M. Elie NAIM, Conseiller du Ministre des Affaires Etrangères et des Emigrés

Mme Nana FAYSSAL, Conseiller de presse du Ministre des Affaires Etrangères et des Emigrés

M. Patrick HAKIM, Conseiller du Ministre de l’Economie et du Commerce

Mme Rouba EL KIK, Conseiller du Ministre de l’Economie et du Commerce

* Participants to the Informal Political Dialogue and the formal Plenary session.

SEVENTH MEETING OF THE EU-LEBANON ASSOCIATION COUNCIL

(Brussels, 9 February 2015)

Statement by the European Union

1. The European Union welcomes this seventh Meeting of the **EU-Lebanon Association Council**, taking place at a time when Lebanon is facing extraordinary political, security, humanitarian, economic and social challenges. The holding of this Association Council provides a timely opportunity to discuss **responses to these challenges**, as well as to take stock of the **overall development of the bilateral relations** and the implementation of the EU-Lebanon Association Agreement. The EU values Lebanon as a key partner in the region and is committed to a strong engagement, intensive cooperation and support to Lebanon in these extraordinary circumstances.
2. The European Union welcomes Lebanon's commitment and strong engagement to the partnership and cooperation with the EU. Since the last session of the Association Council, the **intensity of EU-Lebanon relations** was reconfirmed by a series of high-level visits and the continuation of the regular dialogue. Besides two meetings of the Association Committee, numerous meetings of sub-committees took place, a new ENP Action Plan was adopted and a dialogue on migration and mobility was launched.
3. Lebanon and the European Union started implementing, in practice, the second European Neighbourhood Policy (**ENP**) **Action Plan** from the beginning of 2013, before its formal adoption in June 2014. The EU continues to attach high importance to its partnership and cooperation with Lebanon under the ENP, encourages Lebanon to keep on pursuing its reform agenda to the full extent currently possible, and underlines the need to move ahead towards implementing the jointly agreed objectives.

4. The European Union welcomes the launch of the **EU-Lebanon Dialogue on Migration, Mobility and Security** in December 2014, responding to Lebanon's request to intensify our cooperation in this field. The EU is ready to engage in the upcoming months in comprehensive discussions with Lebanon on the interlinked subjects of migration, mobility and security as identified during the launching meeting. The EU invites Lebanon to sustain its commitment throughout the whole Dialogue process and to take an active part in shaping the Dialogue to ensure it responds to its needs.
5. The EU understands that Lebanon is going through a period of **extraordinary political, security, humanitarian, economic and social challenges** not least due to the spill-over from the war in Syria. The EU, also in its capacity as member of the International Support Group for Lebanon, expresses its full support to the Lebanese authorities and the Lebanese people in coping with these challenges.
6. The European Union recalls the essential importance of ensuring an **effective functioning of Lebanon's institutions** in line with its constitutional framework. In this regard, the EU recalls the importance for Lebanon to advance the election of the President as soon as possible.
7. The European Union took note of the postponement of the parliamentary elections in November 2014 and regretted the fact that the Lebanese citizens would not be able to exercise their right to vote. The EU calls on Lebanon to make the best use of the extension of the Parliament's term, to speedily advance on **electoral reform** and to bring the electoral framework in line with international standards and recommendations of the previous EU electoral observation missions.
8. The European Union is deeply concerned by the violence and repeated **security incidents**, including terrorism, increasingly affecting the country. The EU condemns the repeated attacks on the security forces, killing of civilians, hostage taking and the brutal execution of hostages. Terrorism, and any use of violence against civilians are completely unacceptable and the perpetrators should be brought to justice.

9. The EU commends the determination of the **Lebanese security forces** to protect the stability and security of Lebanon and to respond to these security threats with joint forces. The EU reiterates its commitment to continued support to Lebanon's security sector including further assistance to the Lebanese Armed Forces, as the key institution maintaining domestic security and stability. The EU, including Member States, is working to combine resources and instruments to better meet the needs expressed by the Lebanese authorities. The EU stresses the importance of fighting impunity and bringing to justice those responsible for crimes while acting in full respect of the legal framework.
10. Recognising that the threat of **terrorism** is a global and common threat for both the EU and its partners, the EU stresses its determination, now more than ever, to reinforce its cooperation with Arab and Mediterranean countries on countering terrorism and to redouble efforts on open conflicts and crises. The EU expresses its readiness to further explore possibilities for closer cooperation to support Lebanon in its fight against terrorism and in its efforts to counter radicalisation.
11. The European Union underlines the importance of defusing tension in Lebanon and promoting national unity. The EU calls on all political forces in Lebanon to **engage in dialogue** in order to get out of the current political impasse and move towards a broader agreement on the future of the country. The EU **welcomes new dialogue** initiatives undertaken by some political parties as an important step forward.
12. The EU stresses the need to respect the principles agreed in the Baabda Declaration, including the **policy of disassociation** from the events in the region. The EU strongly calls on all parties to act responsibly, to maintain the spirit of civil peace, dialogue and unity, and to refrain from any acts that could undermine the stability of Lebanon.

13. The European Union stresses the importance of Lebanon's continued commitment to the **full implementation of its international obligations**, including UNSC Resolutions 1559, 1680, 1701, 1757. While expressing concerns for the recent escalation of violence on the ground, the EU calls on all parties to fully respect the UNSC Resolution 1701, to refrain from any provocative action that could lead to escalation along the Blue Line, to fully respect the cessation of hostilities and to avoid territorial and airspace violations. The EU reiterates its support to UNIFIL in fulfilling its mandate including by supporting peace and stability in South Lebanon, in cooperation with the Lebanese Armed Forces. The EU expresses its condolences for the death of the Spanish UNIFIL peacekeeper in the recent exchange of fire. The EU further reaffirms its support for making progress on the issues of Shebaa Farms and Ghajar.
14. The European Union appreciates Lebanon's hosting of an extraordinarily large number of **people fleeing the violence in Syria**. Taking note of Lebanon's reinforced border management measures, the EU stresses the importance of **continued adherence to international humanitarian principles, international humanitarian law and international law**, including the universal principle of non-refoulement of refugees. The EU welcomes the commitment to this principle expressed by the Lebanese government in the “Berlin Declaration of Solidarity with Refugees and their Hosts”. The EU recalls the importance of continued provision of protection, assistance and access for humanitarian cases.
15. Since the start of the conflict in Syria, the European Union has been committed to **assisting Lebanon in coping with the burden of refugee inflows**. The European Commission has allocated to Lebanon €449.4 million to address the crisis, in addition to the ongoing bilateral assistance and contributions from the EU Member States. In addition to addressing the needs of refugees, the EU assists the Lebanese communities by enhancing basic infrastructure and supporting economic recovery in Lebanon's most vulnerable areas. Such assistance will bring benefits to Lebanon in the medium and long term. The EU reconfirms its commitment to an integrated, efficient response to the needs of refugees and host communities and will remain engaged as a major donor in Lebanon, including through the newly created EU Trust Fund in response to the Syria crisis.

16. The European Union remains gravely concerned by the **situation in Syria**. It reiterates its full support to urgently finding a political solution to the crisis based on the principles enshrined in the Geneva Communiqué (2012). The EU remains strongly engaged in providing assistance to those affected by the conflict in Syria, including vulnerable host communities in the neighbouring countries.
17. Concerning the **Middle East Peace Process**, the unsustainable situation in Gaza, the recent increase of violence on the ground, the continuation of settlement activity, which is illegal under international law, and the deteriorating regional context underline the need for a comprehensive peace, based on the two-state solution, ending all claims and fulfilling the legitimate aspirations of both parties, including those of Israelis for security and those of Palestinians for statehood. The EU reiterated the importance of renewed efforts to help the parties return to the table and has called on the parties and on all major stakeholders, including the Quartet, the League of Arab States and the UNSC, to take the necessary steps to that end. In this regard, the EU reaffirms its strategic interest to see an end to the conflict and is willing to play a major role and actively contribute to a negotiated solution of all final status issues based on the principles expressed in the July 2014 Foreign Affairs Council conclusions. In this regard the EU reiterates the strategic importance of the Arab Peace Initiative for all parties and for the entire region.
18. The European Union remains fully committed to the **Union for the Mediterranean**, in which 43 partners from the EU and the Mediterranean engage to effectively address common regional challenges. The European Union welcomes the visit of the UfM Secretary General, Fathallah Sijilmassi, to Beirut in November 2014 to discuss UfM-related issues. That visit is a sign of the proactive engagement of Lebanon in Southern Mediterranean regional activities, thus contributing to the constructive functioning of the UfM.

19. The European Union welcomes that **human rights and fundamental freedoms** are generally well respected in Lebanon. The EU further recalls that not all parts of Lebanon's population benefit from these rights equally and encourages Lebanon to actively **fight against discrimination** on any basis, including gender, sexual orientation and disability, to provide appropriate legal protection to **vulnerable groups** including all refugees present on the Lebanese territory, and to ensure improvement of the legal conditions – and their appropriate implementation in practice – for **Palestinian refugees** in particular. The EU was concerned by the findings of the Report by the UN Committee Against Torture issued in September 2014 and calls on Lebanon to address the issues raised by the report and to put an immediate stop to the use of torture.
20. The European Union encourages Lebanon to persist in its commitment to advancing the **justice reform**, especially with regard to ensuring the independence of judicial appointments, restricting the jurisdiction of military courts, improving prison management and detention conditions, and fighting impunity at all levels including through full cooperation with the Special Tribunal for Lebanon.
21. The European Union stresses that the ratification of the major Hague conventions by Lebanon would allow building a framework of **civil judicial cooperation** between Lebanon and the Union. The EU notes this would be particularly timely considering the emphasis put on justice in the 2013-2015 EU-Lebanon ENP Action Plan.
22. The EU recalls the historic trend towards the progressive **abolition of the death penalty** worldwide. The EU positively acknowledges Lebanon's existing de-facto moratorium on executions and encourages Lebanon to proceed towards a de-jure abolition of the death penalty.

23. The European Union is fully aware of the immense challenges that the current developments in Syria and Iraq pose in particular to Lebanon. The EU notes the **deterioration in Lebanon's macroeconomic indicators**, notably the public debt ratio, putting in question Lebanon's economic resilience in the face of the crisis situation in the country. The EU encourages the government of Lebanon to take urgent action toward **fiscal consolidation** and to renew the foundations of sound public finance management, especially the adoption of a **national budget by the Parliament**.
24. The European Union encourages Lebanon to take further steps to promote **sustainable and knowledge based growth and the creation of decent jobs** through support to productive activity, SME development, innovation, Euro-Mediterranean industrial cooperation, cooperation in the food and agriculture sector (including Geographical indication policy and food safety/sanitary and phytosanitary issues), two-way trade, and investment.
25. The EU encourages Lebanon to intensify its efforts towards **World Trade Organisation accession**, including by advancing relevant legislative initiatives, and to take steps to improve the general business and investment environment.
26. The EU welcomes Lebanon's **signature of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin**, encourages its ratification as soon as possible and invites Lebanon to actively participate in the process of revision of the rules of origin.
27. The EU calls on Lebanon to promptly ratify the Protocol establishing a Dispute Settlement Mechanism (DSM) for the resolution of trade disputes under the EU-Lebanon Association Agreement.
28. The European Union encourages further progress towards negotiations of an **EU-Lebanon Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA)** and stresses the important benefits for Lebanon in moving ahead in this field.

29. The EU encourages Lebanon to take urgent measures to improve energy supply and limit power cuts, as first steps in a broader overhaul of the **energy sector**, encompassing also the development of renewable energies, energy savings, and exploitation of oil and gas in a transparent manner.
30. The European Union encourages Lebanon to continue moving towards more sustainable and efficient management of natural resources, including water, and to exploit the potential for green growth in the country.
31. The EU encourages Lebanon to adopt a comprehensive **national climate strategy** as well as prepare a mitigation contribution by the first quarter 2015 for the purpose of the new climate agreement applicable to all. Considering the urgency to act in order to effectively reduce GHG emissions and maintain the global temperature increase below 2° C compared to pre-industrial levels, enhanced domestic efforts are required also before 2020.
32. The European Union calls on Lebanon to make all efforts to establish a robust and independent **civil aviation** authority with adequate resources, in order to improve the safety and security oversight of the Lebanese aviation companies. The EU calls on Lebanon to solve the Significant Safety Concern issued by the International Civil Aviation Organization as soon as possible by implementing the international aviation safety standards.
33. With regard to the education sector, the European Union welcomes the implementation of the Lebanese Education Development Plan, as well as the drafting of national standards for teachers. It encourages Lebanon to make full use of the new Erasmus+ programme to support the modernisation of its higher education system. The EU calls on Lebanon to enable enrolment of the Syrian children to the Lebanese schools to the full extent possible, in order to prevent the potentially negative consequences of a 'lost generation'.
34. The European Union – beside and beyond its significant response to the crisis situation in Lebanon – will continue allocating **regular financial assistance** to Lebanon in accordance with the second ENP Action Plan and the respective programming documents, using the European Neighbourhood Instrument.

35. The European Union welcomes Lebanon's readiness to sign the protocol on a Framework Agreement that will enable Lebanon to participate in the **EU programmes** according to its choice.
 36. The European Union looks forward to a fruitful and constructive meeting of the **EU-Lebanon Association Council**.
-

SEVENTH MEETING OF THE EU-LEBANON ASSOCIATION COUNCIL

(Brussels, 9 February 2015)

Statement by Lebanon

1. Lebanon warmly welcomes the holding of the seventh Lebanon — EU Association Council. This meeting provides an excellent opportunity to take stock of the progress accomplished in our bilateral cooperation since the last gathering of the Association Council held in October 2012 and to define future action. It will also allow for an open exchange on regional and international developments.

Bilateral relations:

2. Since the last meeting of the Council significant steps have been taken to further enhance our bilateral relations. This signals the shared commitment to promote the bilateral relations and the intrinsic role which Lebanon finds in itself, as an old friend and a longtime partner to the EU. Lebanon welcomes the adoption of the Lebanon — EU Action Plan and looks forward for further cooperation.
3. Lebanon notes with satisfaction the high profile visits from both sides to Beirut and Brussels.
4. On the institutional level, bilateral meetings of the Association committee and the sub-committees were held regularly. This has provided an opportunity to take stock of advances in various fields covered by the action plan.
5. The recent period witnessed two major developments in our bilateral relations: the launching of the mobility dialogue, and the adoption and imminent signature of the *"Protocol to the Euro-Mediterranean Agreement establishing an Association between the Republic of Lebanon, on the one part, and the European Community and its Member States, on the other part, on a framework agreement between the Republic of Lebanon and the European Union on the general principles for the participation of the Republic of Lebanon in Union programs"*. These two steps will provide for new avenues in our cooperation, which will be actively pursued by Lebanon.

6. Lebanon appreciates the EU participation in the International Support Group for Lebanon. This is a track which adds up to the ongoing cooperation between Lebanon and the EU, and Lebanon hopes for a continued active EU engagement.
7. Lebanon extends its appreciation for the EU assistance both in development and humanitarian funds, notably the assistance provided to help mitigate the heavy and adverse impacts of the Syrian crisis in Lebanon.
8. Lebanon welcomes the EU's attachment to its sovereignty, stability and security, and the EU's determination to pursue political dialogue with all political forces, in a spirit of mutual respect and common interest.

Political Chapter:

Situation in Lebanon:

9. The main objective of the current Government in Lebanon, since it took office in February 2014, is to safeguard political, security and economic stability and to shield Lebanon from the repercussions of the regional crisis, notwithstanding the urgent need to elect a new President of the Republic. Furthermore, the inclusive Government of national interest constitutes a forum for interaction and dialogue among different political groups in Lebanon.
10. The main challenge currently facing Lebanon is to cope with spillover resulting from the crisis in neighboring Syria. This spillover is manifested in security, political and economic and social terms. Terrorist groups, which are active in the region at large and in Syria, targeted Lebanon on various occasions notably in August 2014 where the Lebanese Armed Forces came under attack from terrorists in the Lebanon — Syria border region, where terrorists groups are still holding 25 soldier-hostages. Most recently, on January 9th, a double suicidal terrorist attack targeted peaceful civilians in the north of Lebanon.

Despite the worrying imminent and direct threat which terrorism constitutes to Lebanon, to the whole region and beyond, it is being faced bravely by LAF and other security agencies. Meanwhile this threat is relatively controlled, to an acceptable level, if compared to the widespread presence of terrorist groups in neighboring countries. Lebanon, as a symbol of coexistence, constitutes a counter-narrative to the obscure logic which terrorist groups promote, and the historically proven moderation of the Lebanese population adds up to the determination of the Lebanese Government and armed forces not to allow for safe haven for terrorists, Supporting Lebanon and its Armed Forces in dealing with the security threats is crucial, as Lebanon is at the forefront in facing the worrying outbreak of terrorism in the region. Lebanon notes with appreciation the recent conclusions by the Foreign Affairs Council of December 15, 2014 on the EU's commitment to seek ways to further enhance support for Lebanon to meet the security challenges. Lebanon hopes for a practical and swift translation of this renewed political will which would add up to the ongoing cooperation.

11. The other serious spillover emanating from the conflict in neighboring Syria is the mass influx of Syrian nationals into Lebanon. Lebanon had adopted an open border policy since the outset of the Syrian crisis, and the numbers kept increasing until they reached unbearable levels in terms of security, political, social and economic burdens resulting from the huge presence of Syrian nationals on Lebanese territory.

While Lebanon is committed to relevant international obligations, the magnitude of the crisis has caused a wide, all — encompassing popular demand to the Lebanese Government to take full ownership of the process and urgently work on organizing and controlling the mass influx of Syrian nationals into Lebanon.

The scarce Lebanese resources and the limited financial support by the international community when measured by the magnitude of the needs, make it even more imperative to differentiate between persons in dire need for assistance, including within host communities, and persons abusing the assistance programs while being non-eligible for protection as per international law. The Government of Lebanon adopted measures to categorize Syrian inflow to Lebanon in order to have an accurate data of Syrian nationals entering Lebanon, and to organize admission based on clear criteria. This goes in line with a unanimous decision by the Lebanese Government to limit the numbers of Syrian nationals with extended stay in Lebanon to cases in dire and pertinent need for assistance, and to reassess the files of persons not eligible for help, particularly those who travel between Lebanon and Syria.

Faced with a situation of extreme mass influx affecting the national interest of the country, Lebanon calls for substantial burden-sharing, both in numbers and in financial terms. Last October, the Council of Ministers adopted a decision regarding the Syrian nationals displaced from Syria into Lebanon which aims at 1.) reducing the number of displaced Syrian nationals present in Lebanon, 2.) reinforcing the security and the stability inside the Lebanese territory, and 3.) sharing the economic burden that Lebanon is currently bearing on its own.

The direct and indirect costs on Lebanon's economy and infrastructure are not accounted for by the current level and nature of international assistance. Meanwhile, Lebanon will continue to implement a policy of assessing humanitarian cases of admission on a case by case basis by relevant Lebanese authorities, and systematize ordinary inflow towards Lebanon from Syria according to the outlined categories which do not aim to restrict admittance but rather to organize it. Lebanon will be willing to cooperate with the EU towards further explaining and elaborating on this issue.

1701 and situation in South Lebanon:

12. Following the most recent escalation in the South of Lebanon on January 28, 2015, Lebanon presents its condolences to the Kingdom of Spain — a member State of the European Union — for the assassination of the Spanish UNIFIL peacekeeper by Israeli shelling targeting Lebanese territory in a blatant act of aggression violating Lebanon's sovereignty, International law and United Nations Security Council Resolution (UNSCR) 1701.

Lebanon reiterates its commitment to the full implementation of UNSCR 1701, and calls on the international community to exert pressure on Israel to abide by its obligations, under the said resolution. Israeli violations to UNSCR 1701 and to the Lebanese sovereignty are ongoing. These violations are unjustifiable under any pretext and constitute an element of tension which should be addressed.

The violations include conducting regular over flights in Lebanon's airspace, violating Lebanon's territorial integrity and sovereignty, conducting incursions into Lebanese territory, refraining from handing over the remaining maps indicating the location of the mines planted by Israel during its occupation until 2000, refraining from providing full strike data on the location of cluster munitions Israel had used during its 2006 aggression. Moreover, Israel continues to occupy the Lebanese Kafarchouba hills and Shebaa farms as well as the Lebanese part of ElGhajar, in a blatant violation to international law and to relevant UNSC resolutions. Lebanon remains attached to stability and security in south Lebanon, ensured mainly through the deployment of LAF in collaboration with UNIFIL and the popular approval and support this mission enjoys from the local population in south Lebanon.

It remains that Israeli occupation and violations of Lebanon's sovereignty should cease, as no sustainable stability could pair with occupation and provocative acts. In this vein, it is urgent to transform the cessation of hostilities into a permanent cease-fire as stipulated in UNSC 1701. Any arrangement will have to guarantee, inter alia, Lebanon's sovereign rights in its water resources and on its off-shore hydrocarbons according to international law.

Finally, Lebanon is committed to the cooperation with the UNIFIL and is grateful for its contribution to safeguard security and stability in its area of operations as per UNSC resolution 1701. Moreover, cooperation between LAF and UNIFIL is helping in enhancing the capabilities of the Armed Forces. Lebanon looks with appreciation to Member States for their key contribution to UNIFIL troops.

Postponement of Parliamentary elections:

13. On 5th November 2014, the Lebanese Parliament approved a legislation extending its current mandate until 20th June 2017. This step was mainly dictated by the current vacancy in the Presidency of the Republic and in order to avoid an additional vacancy. Moreover, the security situation in the country was considered not conducive for holding Parliamentary elections. The extended mandate will be an opportunity to urgently elect a new President of the Republic, and to adopt a new electoral law in order for the Lebanese citizens to exercise their right to vote at the shortest timeframe provided by law. Lebanon has an old and deeply rooted democratic legacy, and while force majeure has recently interrupted the regular holding of elections, this will not affect the determination of the Lebanese people to consolidate their democracy.

Dialogue Initiatives:

14. Lebanon is deeply attached to the culture of dialogue. Recent dialogue initiatives among different political factions have helped substantially in mitigating the political tension and enhancing the security situation in the country. Dialogue remains the fundamental approach to address contentious issues in Lebanon.

Special Tribunal for Lebanon:

15. Lebanon, in compliance with international resolutions, confirms its commitment to continue to cooperate with the Special Tribunal for Lebanon which was originally set to put an end to impunity and to serve justice without politicization or revenge so as not to affect the country's stability, unity and to uphold its civil peace. As was stipulated in the Ministerial Declaration, Lebanon vows to establish and disclose the truth in the assassination of former President of the Council of Ministers, Mr. Rafic Hariri and his companions and will follow up the progress of STL by conducting the necessary investigations required by the STL regarding the identification of the location of those who have been indicted. Lebanon has honored its yearly financial contributions to the STL and appreciates the EU contribution to the budget of the Tribunal.

Oil and Gas:

16. Lebanon approved a law to administer offshore exploitation and drilling, demarcating clearly its Exclusive Economic Zone, and appointed the members of the Lebanese Petroleum Administration. Lebanon considers that demarcating the maritime border is not a unilateral action; therefore Lebanon seized the UN to denounce Israel's unilateral alleged delimitation of maritime borders which would infringe on the Lebanese Exclusive Economic Zone. Lebanon is determined to protect and defend its rights in its natural resources, while fully respecting the Law of the Sea.

Regional Situation: Syria:

17. Since the outbreak of the Syrian crisis, the official Lebanese position has been a policy of dissociation, notwithstanding Lebanon's call for a political solution which guarantees the unity, sovereignty and territorial integrity of Syria, and safeguards the interests and aspirations of all Syrians. Such a solution shall not constitute a precondition for the safe return of the local population to wherever conditions are conducive for such a return.

Peace Process:

18. A just and comprehensive peace to the Arab-Israeli conflict remains a strategic goal which should be urgently and seriously pursued, in conformity with relevant UN Resolutions , the terms of reference of the Madrid Conference including the principle of land for peace, in line with the Arab Peace Initiative in its entirety. The EU, through its membership in the Quartet, and bilaterally is called to play a central role to this effect. Lebanon will be willing to cooperate with the EU on these issues.

Lebanon strongly condemns Israel's unlawful actions which have been undermining all peace efforts, including its continued occupation of Arab territories and its settlement policy. Israel must be urgently compelled to stop its settlement activities in the West Bank and Jerusalem, which are undermining any future Palestinian, and hence constituting a main obstacle for any solution. Palestinian Statehood remains an inalienable right enshrined in international law, notably people's right for self determination.

The unlawful and inhuman siege imposed on Gaza must be lifted, thus allowing for the reopening of the crossing points, the provision of humanitarian assistance to the local population and normal life for the inhabitants of Gaza. Political and criminal impunity for war crimes and crimes against humanity committed by Israel must end. Israel should be held accountable for its continuous breaches of international law.

The EU is called to draw the relevant conclusions and to take the adequate measures to protect the viability of the two states solution, international peace and security and regional security. The situation in Palestine, resulting from Israeli actions, is contributing to the acute radicalization in the region and undermining the voices of moderation.

Lebanon emphasizes that viable peace in the region must ineluctably include a solution for the Palestinian refugee problem according to UNGA resolution 194, and in accordance with the Arab peace initiative adopted in Beirut in 2002. This solution must include the rejection of any form of resettlement which opposes the vital interests of host countries. The Palestinian refugees' right of return to their homeland is an inalienable political, legal and moral right based on international law and UN resolutions.

The rejection of the permanent settlement of the Palestinian refugees in Lebanon is a standing principle in Lebanese policy. It is enshrined in the Lebanese Constitution and is meant to preserve its internal peace and its fragile demographic balance. Questioning this principle, which was at the core of the national pact that put an end to the civil war in 1991, would threaten the country's stability. Lebanon will not accept any solution that contradicts its position on non settlement of Palestinian refugees on its territory, and rejects all policies that would lead to a de facto settlement. Lebanon is in no way a permanent refuge country.

Conference on Middle East free of weapons of mass destruction:

19. Lebanon remains fully committed to the international efforts aiming at convening a conference under Finnish facilitation in order to promote a Middle East free of weapons of mass destruction, as it was acted in the course of the NPT review conference in 2010. Lebanon is of the view that this conference should be convened at the earliest and should not be postponed any further, as this would undermine the credibility of the CNPT, since a new review conference will be held in May 2015.

International counter-terrorism efforts:

20. The Lebanese model of tolerance and coexistence represents an ideological challenge to the narrative which terrorist groups are trying to promote. Being at the forefront of the fight against terrorism in the region, recently embodied by Daech and its epigones, Lebanon considers that while military and security action is needed to curb the worrying expansion of terrorist groups, it will not be enough on a longer term to provide for a sustainable solution. Additional lines of action should be actively pursued, notably on the political, social, cultural and legal levels. In this context, Lebanon seized the Prosecutor of the International Criminal Court calling her to initiate, proprio motu, the legal proceedings leading to the prosecution of members of these organizations who are nationals of States Parties to the Rome Statute and responsible for war crimes and crimes against humanity perpetrated in Iraq.

Euro-Arab Cooperation:

21. Lebanon notes with satisfaction the Euro-Arab cooperation process as elaborated recently in the Athens Ministerial Conference. The two regions share political, economic, and cultural interests which should be pursued in a context of a strategic partnership towards a common region of peace, stability and prosperity.

Revision of ENP:

22. Lebanon welcomes the EU initiative aimed at launching a reflection on the revision of the European Neighborhood Policy (ENP). As a stakeholder in an active EU role in the region, Lebanon stands ready to contribute to the reflection at different levels and formats as appropriate.

Union for the Mediterranean (UfM):

23. Lebanon is working on enhancing its participation and contribution to the UfM. In this context, the Lebanese Ministry of Foreign Affairs and Emigrants hosted a workshop last October, in presence of UfM Secretary General Fathallah Sijilmassi and the concerned Lebanese Ministries in order to discuss future cooperation.

Economic Chapter:

INTRODUCTION

24. Despite the current humanitarian crisis due to the mass influx of Syrian nationals displaced from Syria into Lebanon and amid uncertainties due to local and regional turbulences, the current Lebanese government headed by Mr. Tamam Salam, alike the previous successive governments, realized that major adjustments in policies, regulations, operations, and governance are more than ever needed to sustain the economy and stir it on the right path.

25. Throughout the years 2013 and 2014, Lebanese economy and society withstood the hosting of an unprecedented number of displaced Syrians. The number exceeded 1.5 Million people. Lebanese efforts to mitigate the impact of the humanitarian crisis are commended by the international community. UN agencies and other NGOs are offering their support to the communities hosting those Syrians displaced into Lebanon. Nevertheless, the direct assistance falls short from meeting the needs of the Lebanese authorities, as 42% only of the overall pledged assistance has been honored by donors. In addition, the Lebanese authorities have not received direct substantial aid whilst remaining the largest donor in terms of assistance provided to the displaced Syrians. The pressure resulting from this unexpected situation contributed to the slowdown in the implementation of the reform plan of the Lebanese government. This delay in the implementation of the reform plan has in fact weakened the infrastructure even more (water, energy, health, education, waste management,) and stretched the obstacles facing trade, foreign investments, tourism, and mostly employment opportunities among youth.
26. In light of the emerging humanitarian crisis, Lebanon's socio-economic challenges developed into a much complex situation, putting the whole country at a high risk. The Lebanese government alerted the international community and strived for its help to support it and the hosting communities with their struggles by improving the infrastructure, the economy, and increasing job opportunities for the most vulnerable groups affected by this crisis by means of short-term assistance and long-term benefits.

The potential security challenges linked to deteriorating economic parameters, as well as the effective risks of destabilization of the country, have prompted the international community, at the behest of the United Nations' Secretary General, to create, in September of 2013, the International Support Group for Lebanon composed of the five permanent members of the Security Council (P5) as well as the UN, World Bank, UNDP and UNHCR.

The International Support Group (ISG) adopted a three-pronged support plan based on (i) assistance to the Lebanese Armed Forces; (ii) humanitarian help to the hosting communities; and (iii) development assistance in the form of a stabilization plan aimed at returning public services to their pre-crisis levels and re-launching growth through a series of projects financed through a Multi-Donor Trust Fund mechanism initiated and managed by the World Bank (MDTF). The MDTF has since then concentrated on projects in vulnerable communities and has approved projects in support of Municipality Federations, education and health.

The Government is now working closely with the UN and donors on a system to improve tracking of stabilization funds, mainly through:

- The multi-donor trust fund (MDTF), administered by the World Bank
- The Lebanon Recovery Fund (LRF), administered by the UN
- Lebanon Crisis Response plan (LCRP) which integrates a targeted humanitarian response into a broader plan to support Lebanon's stabilization through the implementation of long term development projects.

27. Lebanon received a considerable amount of Official Development Assistance (ODA) in the period of 2000-2010 with limited impact; it seems at first glance, because of the lack of measures to ensure aid effectiveness and poor ODA management and coordination. The institutional framework has often led to weak coordination processes between donors and affected groups that are necessary to determine needs and priorities and avoid aid duplication. While a structured coordination mechanism was set up after the July 2006 war, only part of it still exists today.

With the onset of the Syrian crisis, more ODA is flowing to Lebanon, and aid coordination has become a priority for both the Government of Lebanon (GOL) and the donor community. This issue has been debated during the visit of Mr. Tamam Salam to Brussels in December 2014.

For that the GoL is working on a plan to implement Aid Coordination within the following parameters:

- The Council of Development and Reconstruction (CDR) per its inception law, is the Lebanese administration in charge of aid development and coordination. For that, it will lead the activities to enhance the coordination between the concerned authorities, mainly the Presidency of the Council of Ministers, Ministry of Foreign Affairs and Emigrants (MoFAE), Ministry of Finance (MoF), Ministry of Economy and Trade (MET), Ministry of Social Affairs (MOSA), and Ministry of Interior (MOI). On the other hand, it will enhance the cooperation with donors, and improve the management level and activation of development aid.
- The Information Management and Analysis Support (IMAS) IT System will be implemented at CDR. All sources of projects data will be inputted into IMAS: existing project data from the CDR IT systems; other projects adopted by decrees issued by the Council of Ministers (COM); International agreements and other international projects after being vetted by the Ministry of Foreign Affairs and Emigrants (MoFAE) and submitted to the Council of Ministers for adoption; projects and demand data submitted by the Ministry of Social Affairs (MOSA); and finally risk area data from the Ministry of Interior (MOI) and the Lebanese Armed Forces. The UN agencies will also be inputting data into the IMAS system. The IMAS system will be implemented with technical assistance from United Nations Development Programmed (UNDP).
- Presidency of the Council of Ministers (PCM) with the support of CDR will formulate a longer-term development plan, to which donors' spending can be oriented and aligned with.
- Given all the data available in IMAS, CDR will finally lead the efforts for reporting and analysis as well as dwell with the question of aid effectiveness.

28. The Lebanese authorities believe that under the implementation of the right policies, Lebanon's economy could run at a much higher gear. Yet, for Lebanon to achieve these high and sustained rates of economic growth, the current government has put down a set of reform measures that aim to:

- Restore fiscal sustainability over the medium term by streamlining the budgetary process, and address the issue of the public debt through an effective debt reduction strategy and improved debt management.
- Develop and rehabilitate the decaying infrastructure to allow Lebanese households and enterprises access to sufficient and affordable energy supplies, efficient public transportation, water supply and sanitation, and information technology and telecommunications services.
- Set up an efficient management for the energy sector through securing a sustainable and affordable energy supply, developing renewable energies, energy savings and exploitation of oil and gas.
- Improve access to education, health care and, as needed, social protection for all segments of the population, especially the Lebanese Hosting Communities.
- Implement thorough institutional and administrative reform plans that aim to fight corruption and waste in public sector.
- Seek to rein in inflation by setting appropriate market surveillance tools and stimulating competition.
- Encourage the investment and improve the business climate by:
 - Building a legal, institutional and regulatory environment supportive of private initiative and investment, which allow the enterprise sector to effectively compete in regional and global markets
 - Setting up a National Small and Medium Enterprises (SME) strategy

- Increase Public Private Sectors' alliances
- Facilitating access to finance and provision of soft loans to the private sector
- Developing a favorable tax policy
- Facilitating administrative transactions
- Promoting growth and job creation by:
 - Increasing productivity in sectors where the Lebanese economy holds a comparative advantage and becomes an important pole capable of expanding the size of its market, and therefore, its economy
 - Exporting its "knowledge-based" services in such areas as health care, education, engineering, law, finance, accounting and auditing, communications and advertising, etc... - in addition to its traditional goods and services where its position is well established
 - Re-launching efforts towards WTO accession
 - Establishing relations with new countries in order to open new markets and possibilities for Lebanese goods, as well as encouraging investors to invest in Lebanon
- Enhancing the protection and conservation of natural resources depleted as a consequence to urbanization and industrial development and the increase inflow of Syrian de facto refugees.

MACROECONOMIC DEVELOPMENTS IN 2012,2013 AND OUTLOOK FOR 2014

29. In 2012, the Lebanese economy witnessed a significant slowdown, as the Syrian crisis extended into its second year. Growth, which was previously estimated to range between 7.5% and 9.0% between 2007 and 2010, was downgraded to 2.8% in 2012, as traditional drivers of growth - real estate related activities, construction and tourism - was affected by increasing uncertainty and deteriorating security conditions. In particular, the government faced a difficult task of containing the increase in state finances in order to maintain its past success in controlling the country's high debt-to-GDP ratio. The latter had risen back in 2012 for the first time since 5 years.

In 2013, the ongoing Syrian crisis as well as the domestic political uncertainty following the resignation of PM Mikati continued to weigh on the Lebanese economy. Although Central Administration of Statistics (CAS) upgraded economic growth estimates to 3.0% in 2013, a decline was witnessed in many sectors including: real estate, tourism, external and fiscal sectors compared to their 2012 levels. The monetary authorities and banking sectors however, succeeded in maintaining the stability of the financial system, hence the overall resilience of the Lebanese economy, and launched several initiatives to promote economic growth.

30. Concerning civil aviation issue, Lebanon is working in close collaboration with the relevant EU authorities in order to reassure the European counterparts that this issue is being addressed with the highest degree of attention it merits. Significant Safety Concern has been duly addressed with ICAO, and Lebanon is deeply attached to its longstanding legacy of Air Safety. Moreover, Lebanon is convinced of the need to have an empowered and capable civil aviation authority and looks forward for continued cooperation with the EU on this issue.

Imports and Exports

31. In 2012, Lebanese Exports registered a +5.1% yearly increase to reach USD 4,483 Million. Lebanon's primary exports in 2012 were jewelry, as they accounted for 38% of total exports, Food and Beverages comprised (13%), Electrical equipment and products comprised (6%), followed by Nuclear Reactors (5%) and Copper metal (4%). Those five categories accounted for 66% of total exports in 2012. South Africa accounted for 19% of these exports, followed by Switzerland (12%), Saudi Arabia (8%), United Arab Emirates (8%) and Syria (7%). Moreover, transit traffic registered in 2012 a 15.6% decrease in comparison to 2011 and customs revenue registered a 3.3% increase in 2012.

Lebanese Imports, on the other hand, reached USD 21,280 Million and registered an increase of (+ 5.6%) in 2012 in comparison to 2011. Lebanese primary imports in 2012 were Mineral fuel and oil products which accounted for 28% of total imports, followed by Food and Beverages (14%), Jewelry (7%), Vehicles (7%) and Nuclear Reactors (6%). The United States of America accounted for 11% of total imports, followed by Italy (9%), China (8%), France (7%) and Germany (6%).

In 2013, Lebanese Exports fell registering a 9.4% yearly decrease to reach USD 4,060 Million. Lebanon's primary exports in 2013 were jewelry, which accounted for 20% of total exports, followed by Food and Beverages (18%), Mineral Fuels (9%), Electrical equipment and products (7%) and Nuclear Reactors (6%). Those five categories accounted for 64% of total exports in 2013. Syria accounted for 12% of these exports, followed by South Africa (9%), Saudi Arabia (8%), United Arab Emirates (7%) and Iraq (6%). Moreover, transit traffic registered in 2013 a 34.3% increase in comparison to 2012 while customs revenue registered a 4.2% decline.

Lebanese Imports reached USD 21,229 Million, registering a slight decrease of 0.2% in 2013 compared to 2012. Lebanon's primary imports in 2013 were Mineral Fuel and Oil products, which accounted for 23% of total imports, followed by Food and Beverages (14%), Vehicles (7%), Nuclear Reactors (6%), and Electrical equipment and products (6%). China accounted for 11% of total imports, followed by Italy (8%), France (7%), United States (7%) and Germany (6%).

Capital Inflows

32. In 2012, Capital inflows witnessed a 9.8% increase in comparison to 2011, reaching USD 15,260 Million. Capital inflows mainly are in the form of bank deposits, remittances, transfers from tourists and foreign direct investments. Commercial bank deposits and remittances, which make up the bulk of capital inflows, witnessed a rise following a restoration of the economies in the region during this period. Furthermore, Foreign Direct Investment (FBI) witnessed a 5.0% rise. However, the increase in capital inflows could not compensate for the trade deficit. As such, the Balance of Payments witnessed a 23.0% decline compared to 2011, as the deficit reached USD 1,537 Million.

In 2013, Capital inflows witnessed a 4.8% increase in comparison to 2012 to reach USD 15,990 Million. The continued increase in inflows is attributed to the strong inflow of deposits and remittances in the Lebanese economy. However, volume of foreign investment inflows to Lebanon fell 22.9% in 2013 reaching USD 2,830 Million relative to the USD 3,670 Million attained in 2012. The overall combined effects of a large upturn in capital inflows despite the 2.2% rise in the trade deficit, however, led to an improvement in the 2013 Balance of Payments deficit, as it fell from USD 1,537 Million in 2012 to USD 1,130 in 2013, that is, a 26.5% improvement.

Tourism

33. In 2012, the tourism sector continued to regress. Around 1.37 million tourist visited Lebanon by the end of the year, registering a 17.5% decrease from the previous year. Arab tourists accounted for (33.5%) of total visitors followed by visitors from Europe (32.6%), America (16.2%), Asia (9.3%), Africa (4.5%) and Oceania (3.8%).

In 2013, the tourism sector further regressed. Only around 1.27 Million tourists visited Lebanon, which represents a 6.7% fall relative to 2012. European Tourists accounted for (34.1%) of total visitors followed by visitors from Arab world (31.6%), America (16.4%), Asia (9.2%), Africa (5.1%) and Oceania (3.5%).

Real Estate Activity

34. In 2012, the real estate and construction sector continued to witness weak results relative to the strong performance it witnessed until the year 2010. This came as a result of the local political disputes in the country which coincided with the regional turmoil that continued to have a negative impact on investor confidence at the domestic level.

By 2013, the real estate and construction sector continued to record a slowdown in activities relative to the same period in 2012. This is noticeable in the evolution of the demand side indicators that witnessed a decrease in their figures. These results are due to the Syrian crisis that continued to affect negatively in the overall consumer and investor confidence.

Banking Sector

35. In 2012, the banking sector experienced no significant change in its performance relative to 2011. Resident and non-resident private sector deposits at Lebanese commercial banks rose by 8% in 2012 compared to the 7.9% attained a year earlier, to reach \$124.9 Billion, pushing total assets to reach \$151.8 Billion.

In 2013, the banking sector experienced a slowdown in performance relative to 2012. Resident and non-resident private sector deposits at Lebanese commercial banks slightly increased by 3.8% in 2013 compared to the 8% attained a year earlier, to reach \$ 136.2 Billion, pushing total assets to reach \$164.8 Billion.

However, Lebanon's large and relatively sound banking sector continues to provide a significant source of resilience and stability to the Lebanese economy. It remains profitable, well capitalized and liquid and attracts substantial deposit inflows from abroad (including from the Lebanese Diaspora).

Ratio of Public Debt to GDP

36. In 2012, the ratio of public debt to GDP continued its decline reaching 131% by the end of the year.

In 2013, the ratio of public debt to GDP increased to 137% by the end of the year.

Unemployment

37. According to the available figures, unemployment increased dramatically and is expected to increase more due to the mass influx of Syrian nationals into Lebanon who are competing with the Lebanese work force in the already scarce jobs openings. Job competition is mostly observed in the informal sectors. A decrease in employment opportunities was registered due to the closure of a good number of SMEs affected by the political and security situation and decrease in tourism (shops, restaurants, industrial firms...). Unemployment was estimated to have increased to more than 20% from approximately 10% before the Syrian crisis started.

The outlook for 2015 is unclear due to the following reasons:

- The geopolitical tensions are affecting the country's economic prospects.
- A further escalation of the war in the Syrian Arab Republic and the worsening of the security situation in Iraq are among the most evident risks.
- Spillovers from the Syrian crisis continue to hold down the economy over the short to medium-term, with possible longer ramifications.
- GDP growth is expected to remain low in 2014 and 2015, 2.2% and 2.6% respectively.
- A restrained fiscal policy is to continue, due to decreasing revenues and increasing deficits.

- A foreseen increase in poverty numbers: according to the World Bank's Economic and Social Impact Assessment (ESIA) of the Syrian crisis in Lebanon that was published in September 2013, more than 170,000 people were to join by the end of 2014 the one million that was already living below the country's poverty line before the Syrian conflict started.

FISCAL TRENDS AND STRUCTURAL REFORM CHALLENGES IN LEBANON

38. The fiscal deficit has continued its increasing trend: having risen from 5.8% of GDP in 2011 to 9.4% of GDP in 2013, it is expected to be above 11% of GDP in 2014.

The mass influx of Syrian nationals into Lebanon has led to an increase in spending in the health and education sectors, thus contributing to the deterioration of public accounts. Those Syrian nationals displaced from Syria into Lebanon are changing the demographics in the country and since minors represent the majority of the displaced population, there are currently more Syrian than Lebanese school-aged children. The rise of the consumption of subsidized items (i.e. bread and electricity) has also led to an increase in government spending. In addition, security and military expenditures have increased, including maintenance costs.

The deterioration in the fiscal accounts has led to the worsening of government debt, which after several years on a downward trend (it decreased from 185% of GDP in 2007 to 134% of GDP in 2011) has been on the rise since 2012, reaching 141% of GDP in 2013. The Ministry of Finance projects that it will reach 144% of GDP in 2014 and 145% of GDP in 2015. Furthermore, the current account deficit is still very high and is projected to remain above 12% of GDP in 2014.

IMPLEMENTATION OF THE ASSOCIATION AGREEMENT AND ENP ACTION PLAN

39. Lebanon Approach to the ENP Action Plan 2014-2017:

Lebanon commends the efforts exerted by the EU delegation in Lebanon and the EU Commission for their support to Lebanon throughout the past years and especially since the start of the Syrian crisis.

The Lebanese government is committed to its partnership with the European Commission and appreciates the unique relationship that exists between Lebanon and the European countries.

The years 2013 — 2014 were difficult years for Lebanon. The dramatic developments that took place had a damaging weight on Lebanon's highly needed development and reform policies, and affected the economic growth.

The spillover of the Syrian Crisis and the aggravated havoc at the northern and eastern borders decelerated the reform progress. Despite the prevailing security hurdles, the socio-economic pressures and the short life span, Lebanon was able to register progress at different levels. Since it took office, the current Council of Ministers has submitted several draft laws to Parliament. Important sectoral strategies have also been endorsed by the Council of Ministers, in areas related to enterprise, security, water, youth, and women.

For instance and with respect to the EU — Lebanon relationship the Council of Ministers:

- Approved the new EU Lebanon action plan 2013-2015;
- Signed a MoU related to the Single Support Framework 2014-2016;
- Applied exceptionally the Association Agreement on Croatia until the completion of the legal procedures necessary after its accession to the EU;
- Signed the Pan Euro-Med convention on rules of origin;
- Convened 9 sub-committees' meetings;
- Continued the implementation of contracted projects and signed new ones (agriculture, energy, education...);
- Participated in the Euro- Med regional and thematic Senior Officials Meetings and working groups;

- Launched the Dialogue on migration and mobility with the EU;
- Will sign the Protocol related to the participation in EU Programs and Agencies.

40. Association Agreement Sub-committee meetings:

Lebanon looks forward towards an increased cooperation with the EU and commends the support provided by the EU and the Member States on all political, economic, social and cultural levels.

Accordingly, nine subcommittees out of ten have been established to deal with the following topics under the framework of the ENP Action Plan: "Economic and Financial matters", "Research, innovation, information Society, Education and Culture", "Transport, Energy and Environment", "Human rights, Democracy and Governance", "Justice and Security", "Social and Migration Affairs", "Industry, Trade and Services", "Internal Markets" and "Customs Cooperation and Taxation".

In February 25 and December 11, 2013 two successful Association Committees took place in Beirut. The committees discussed the implementation of the Association Agreement and the related European Neighborhood Policy Action Plan and assessed progress on the objectives and actions agreed upon.

41. In this regard a key economic reform priority of the mutually agreed European Neighborhood Policy (ENP) Action Plan for 2013-2015 is the enhancement of **Public Finance Management** (PFM) and the effective allocation of public resources. On this front, some progress was recorded. The Ministry of Finance continued the work it started in September 2011 of reconstituting the missing national (State) accounts for the years 1993-2010 and most accounts for the period have now been established. The Ministry of Finance established new units, which include: a Macro-Fiscal Unit, a Cash Management Unit and a Debt Management Unit. Different medium-term fiscal scenarios were prepared by the Macro-Fiscal Unit for the 2014 and 2015 budgets. The Ministry is also in the process of reorganizing the Budget Directorate.

42. Lebanon signed the **Regional convention on Pan Euro — Mediterranean preferential rules of origin** and it is in the process of ratification.
43. Although there have been no tangible developments in Lebanon's **WTO accession negotiations**, the Ministry of Economy and Trade is, on the one hand, pursuing a number of national activities to update the negotiation files and raising, on the other hand, the capacities of the public and private sectors through training and technical assistance.
44. **The Palermo Action Plan for the free movement of industrial products:** Lebanon achieved the agreed upon final report of the ACAA Committee together with an Action Program that was submitted to the Council of Ministers. It is worth noting that some recommendations of the Agreements on Conformity Assessment and Acceptance of industrial products (ACAA) Committee are being already applied by Lebanon and that The Industrial Research Institute (IRI) the organization in charge of the implementation of the ACCA is in the process of being accredited as the Notified Body for all three agreed upon priority sectors — electrical products, construction products and pressure equipment. Lebanon also worked on strengthening the administrative capacity of institutions in charge of implementing product legislation, in particular the Lebanese Standards institution (LIBNOR), Directorate of Consumer Protection, Inspection and Certification Bodies, Quality Unit, IRI and other laboratories.
45. The Metrology law was adopted by the Lebanese parliament on August 17, 2011 (law # 158, published at the official Gazette on August 25, 2011#39). The Minister of Economy and Trade established the National Metrology Council. The Metrology Law implementing decrees were drafted by Ministry of Economy and Trade (MoET) - Qualeb (EU funded project) and are reviewed by the National Metrology Council. The completion of the Technical regulations and Conformity Assessment Law by MoET - Qualeb was adopted by the parliament law # 224 dated 22/10/2012 and published at the official Gazette on issue # 45 dated 25/10/2012. Three Laboratories of the Chambers of Commerce, Industry and Agriculture supported by Qualeb were accredited for ISO 17025.

46. Lebanon contributed to the implementation of 2013-2014 work programs on Euro — Mediterranean industrial cooperation and exchanged good practice on SME development. Lebanon SME Strategy --roadmap to 2020 was launched by the Ministry of Economy and Trade devising guidelines to stakeholders in order to coordinate policies, initiatives and programs to serve the development of the Lebanese entrepreneurial and SME ecosystem.
47. Financial services Lebanon continued to implement the recommendations of the IMF Financial Services Assessment Program while the Central Bank has been following the roadmap in order to be able to adopt International Financial Reporting Standards.
48. Under "Reinforcing social cohesion in Lebanon" program, CAS will benefit from an assistance of 5.5 Million Euros of which 3.5 Million Euros will be used to fund a large scale Labour Force and Living Conditions Survey to be implemented in collaboration with ILO. The preparation of this survey started in 2014. The survey will provide information for the first time on the situation of all residents in Lebanon including the Syrian refugees at the level of the Caza. Another 1.1 Million Euros will be dedicated to a technical assistance project to support the capacity building of CAS. The remaining 0.9 Million Euros will be used (along with other funds) in the MED RIMS (Households' International Migration Survey).
49. The Public procurement law was transmitted to the parliament and is in the review process by the parliamentary commissions as well as the Establishment of a Dispute Settlement Mechanism Protocol that was approved by the Council of Ministers and passed to the parliament for adoption and ratification. The modernization of the Commercial register is being implemented jointly between the Ministry of Justice and the EU.
50. The Euro Med Trade Roadmap until 2010 and beyond, Lebanon actively participated in the senior officials working group, Trade and Investment Facilitation Mechanism and sectoral meetings. Lebanon is in urgent need for technical support and capacity building in the following subjects: WTO related issues (particularly services negotiations), PanEuro-Med rules of origin, the impact of Agadir agreement on member states and FTA negotiations.

51. In 2012, the Cabinet approved a number of legislative texts most importantly those related to the establishment of an environmental prosecutor such as, protection of air quality, nature reserves, solid waste management, hunting and a plan to combat the pollution in the Qaraoun Lake (Lebanon's largest body of fresh water). It also established a ministerial committee to review the draft water code. Moreover in 2012, a strategy on marine protected areas had been completed and Lebanon completed a strategic environmental assessment of the petroleum sector. In 2013, the Ministry of Environment initiated strict enforcement of the Strategic and Environmental Impact Assessment decrees and Environmental Compliance decrees which were approved in 2012. The funds were allocated to reduce the use of HCFC and implement activities on climate change. In line with its efforts to improved access to services, outreach, and presence on the Lebanese territory, the Ministry started working in 2 of the 7 planned regional offices, namely in Saida and Zahle and published the MoE citizen's guide.
52. The Ministry of Energy and Water launched a tender to rehabilitate, and improve the electricity distribution sector for four years over 3 regional zones. The project includes installation of smart meters, improve services, and reduce technical and non-technical losses. This project is an essential milestone towards the privatization of the electricity distribution sector. Concerning pricing methodology and tariffs, a policy paper approved by the Cabinet states that there should be no changes until the provision of electricity improves.

Law 462 (passed in 2002) foresees the establishment of an independent regulatory authority for electricity, but this has still not been accomplished due to legal obstacles. In 2010, the Ministry of Energy and Water within a Ministerial committee sent a final review on the law 462. In 2014 the Parliament passed a new law giving the Ministry of Finance and the Ministry of Energy and Water the authority to set rules to provide licenses to private generation for two years until the regulatory authority is established.

53. The oil and gas sector, the Petroleum Administration's plan is to obtain license in development of hydrocarbons resources, primarily offshore gas. If implemented this plan could make Lebanon self-sufficient in energy, with the long-term prospect in also exporting gas using the Arab Gas Pipeline or possibly new pipelines to Cyprus or Egypt. However, exports would depend on sufficient improvement in the situation in Syria as well as on successful outcomes of exploration and development activities. Moreover, legal and political challenges have halted the progress of the licensing round launched in 2013 as well as other proposals by the Petroleum Administration.

A Strategic Environmental Assessment (SEA) of the development of oil and gas sectors in Lebanon had been carried out in 2012 and its recommendations had been reflected in the Petroleum Administration's plans. This SEA study will be updated and published on the Administration's website.

In the renewable energy sources and energy efficiency sectors, Lebanon has set a target of meeting 12 percent of its energy needs from renewable energy sources by 2020. To make this target tangible, the Ministry of Energy and Water has developed through the Lebanese Center for Energy Conservation (LCEC) the National Energy Efficiency Action Plan (NEEAP) 2011-2015, including 14 different initiatives. Lebanon has made significant progress towards implementing its NEEAP, notably by meeting its 2014 target of new solar water heater installations. In addition, the NEEREA financing mechanism developed in partnership with the Central Bank of Lebanon (BDL), awareness-raising and capacity-building, were considered as the best-performing initiatives of the NEEAP. The three initiatives that were considered to be performing worst are the hydroelectric power programme, energy efficiency legislation and amendment of the building code. In the upcoming NEEAP 2015-2020 and the Renewable Energy Strategy 2015-2020 (currently under preparation), the Ministry of Energy and Water is dedicated to move forward on different fronts, based on initiatives well planned and measurable. The EU support to the NEEAP initiatives could be of great value.

For instance, the efforts towards greening the building code of Lebanon is of major importance, and the two sides agreed that it would be useful to consider possible options for EU support for improving the building code. Possible support is expected through the Technical Assistance and Information Exchange instrument (TAIEX) or under the current Support Programme for Infrastructure Sector Strategies and Alternative Financing (SISSAF). In addition, the NEEREA financing mechanism leveraged more than 300 Million USD of green investments between 2013-2014 with 12 Million Euros offered by the EU. In 2015 alone, the NEEREA is expected to leverage more than 400 Million USD; the additional support of the EU is needed to make this happen.

54. Lebanon's preparation of its Intended Nationally Determined Contributions (INDC) on climate change is in the course of a lengthy national technical consultation process on the scope of the INDC (mitigation, adaptation and finance), the appropriate upfront information to be presented and the sectors to be covered by the INDC.
55. The water strategy includes the use of non-conventional resources (such as treated water and aquifer recharge) but also a new entire network of dams, Although Lebanon is a country rich of water, the presence of more than 1.1M refugees from Syria is causing additional pressure on its natural resources and waste issues.
56. A draft policy on maritime transport, which is yet to be approved, was submitted to the Council of Ministers. This policy takes into account the full range of marine and maritime interests, as well as international agreements and long-term sustainability. A law establishing a maritime authority has not yet been approved. The port authorities of Beirut and Tripoli harbour need restructuring. Investment plans for these ports, including a study on a five years maritime transport program, are drafted and will be implemented when the Cabinet approves them. A special economic zone for Tripoli will be implemented. The law for this is agreed upon, but is not yet implemented.

Lebanon had active participation in the EU regional de-pollution initiative Horizon 2020, the maritime transport program, the Motorways of the seas and Cross Border Cooperation for Mediterranean Sea Basin.

57. The independence of the judiciary is key to reform. In this respect a memorandum of cooperation was signed between the Judicial Training Institute and the Raoul Wallenberg Institute (Sweden) to promote the implementation of the international conventions ratified by Lebanon including human rights stipulations.
58. The automation of the commercial register is being achieved and the modernization of several sectors is in process, one of which is the modernization of the Supreme Court project.
59. Lebanon is fully committed to its obligations under the Convention Against Torture (CAT), and has duly demonstrated this firm commitment through its steady cooperation with the CAT Committee, and most notably during and after the Committee's Mission to Lebanon in 2013.

In this regard, and although Lebanon had adamantly disagreed with key findings of the CAT Mission's report at the time, particularly those concerning allegations of the existence of systematic practices of torture in Lebanon, it has reported back to the Mission on its conclusions and recommendations in due time, exhibiting its commitment to cooperative engagement with the CAT Committee and its respect to due processes.

60. Lebanon is implementing the UNCAC convention and several anticorruption measures are being established, These measures aim at preventing corruption, criminalizing certain conducts, strengthening international law enforcements and judicial cooperation, providing effective legal mechanisms for asset recovery, technical assistance and information exchange and mechanisms for the implementation of the convention.
61. In pursuing UNODC objectives, Lebanon is making every effort to integrate and mainstream the gender perspective, particularly in its projects for the provision of alternative livelihoods, as well as those against human trafficking.

A common website has been established in order to link all state members. Lebanon is working to improve crime prevention and assist with criminal justice reform in order to strengthen the rule of law.

Lebanon is doing its best to provide and improve the security sector and highlights the importance of S.A.R,O.L. project and S.S.P. programs, both funded by the EU. Special support should be given to the army who is the most affected by the Syrian crisis.

62. On border management, Lebanon has to call for different donors to help and make border management in Lebanon more efficient, and coordinate on issues related to migration and mobility.
63. The Ministry of Education and Higher Education (MERE) achieved a national education strategy and development plan for 2010-2015. The ministry has developed an action plan for the implementation of the strategy .The Lebanese government encourages the participation of Lebanese researchers and research bodies in the FP7 mainly in the FP7 Theme "Food, Agriculture and Fisheries, and Biotechnologies".
64. Technical and Vocational Education Strategy, in the realm of development and adoption of new technical and vocational education strategy in line with the principles of Torino Process, programs and curricula will be updated, a national body for quality assurance in Vocational Education and Training (VET) will be created, academic and administrative structure of VET will be modernized, adequate human resources will be provided and partnerships and cooperation will be enhanced.

General Education focus shall be in these two areas: The SIMS (School Information Management System), and the Prevention against early school leaving (dropout prevention) targeting students with special needs.

"Quality Control" initiative: priority is considered, especially in the following areas:

- Provide support to the development of a national evaluation system.

- Provide the necessary support to ensure that the workflow systems and archives are effective for MERE; in order to provide better services the citizens.
- Provide a "quality assurance" containing a protocol for public and private schools seeking accreditation

The National Qualifications Framework (NQF): The work with the European Training Foundation (ETF) was concluded in 2013 with the elaboration of a first draft of the Lebanese National Qualifications Framework (LNQF).

Draft Law for restructuring Private Higher Education: It is being discussed within the Joint Committees in the parliament.

National Agency for Quality Assurance Draft Law: A draft law to create the Lebanese Agency for Quality Assurance is being discussed in the Parliament to be proposed to the joint committees.

Tempus program: Tempus has scored a record in the number of projects selected under the sixth call for proposals. 12 new projects involving Lebanon have been selected for funding which increases the number of Tempus projects funded in Lebanon since 2002 to 58 projects when Tempus entered Lebanon.

Erasmus Mundus: 4 new projects have been selected in 2013 under Erasmus Mundus Action 2, which will offer scholarships to Lebanese students and scholars to carry out study abroad programs in Europe starting from the academic year 2014-2015.

65. Information society and audio-visual policy, Lebanon will continue working with the Euro-Mediterranean Regulatory Group, to better improve its participation in Horizon 2020's telecommunication and technology. Lebanon has participated in the Union for the Mediterranean Ministerial Meeting on Digital Technology held in Brussels in September 2014.

EU FINANCED PROJECTS

66. Lebanon is keen to acquire technical assistance from the EU in the areas identified in the new action plan.

Lebanon intends to benefit more from the ENPI technical assistance provided under the Twinning and TAEIX tools in order to:

- Explore the possibilities for EU countries to share with Lebanon its experience on national and environment prosecution; and exchange information with The European Union Network for the Implementation and Enforcement of Environmental Law IMPEL (e.g. through TAIEX) complementing the existing TA program.
- EU Technical Assistance might be most usefully deployed to support the creation of a NAMA/INDC/MRY office which will follow up on the measurements and verification of mitigation actions and climate change policies undertaken in the country.
- In the frame of the current formulation of the program "Protection and sustainable use of maritime resources in Lebanon" (AAP 2014, €19M), the EU will provide support to the government's preparation for future exploration and production of offshore oil and gas resources (by contributing to build legal, institutional, financial and operational frameworks responding to the highest environmental standards). Discussions are taking place with the Lebanese Petroleum Administration and the Ministry of Energy and Water to prepare the terms of reference of a Technical Assistance (budget of €2M; implementation from 2015 to 2018).
- Lebanon counts on the EU to cooperate in the field of the independence of the judiciary.
- Improvement of Services negotiation under WTO, Regional and Free Trade agreements FTA.

Lebanon welcomed the additional allocations provided by the EU regarding the management and Support of Syrian presence in Lebanon and its repercussions on the Lebanese economy and society.

Lebanon looks forward towards an appropriate financial assistance from the resources of the future European Neighborhood Instrument for the period 2014-2017 to commensurate with the endurances and sacrifices.

Conclusion

67. In addition to the developmental support, Lebanon calls on the EU as a main partner and lead donor to support and exert every possible effort to:

- Preserve the Lebanese sovereignty
- Strengthen the Lebanese armed and security forces
- Reinforce state institutions
- Support Lebanon economic and social development
- Assist the impoverished hosting communities
- Monitor the presence of Syrian nationals in Lebanon and manage projects facilitating their return to their homeland.

Concerning the EU Lebanon action plan 2013- 2015 and the Single Support Framework for the years 2014-2016, Lebanon re-appeals to the EU to separate the allocations of the Lebanese envelope of reform and development from the humanitarian assistance the country direly needs to mitigate the adverse impact of the mass influx of Syrian nationals into the Lebanese territory.
