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Progress in 2014 and recommendations for actions

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JOINT STAFF WORKING DOCUMENT

Implementation of the European Neighbourhood Policy in Lebanon Progress in 2014 and recommendations for actions

Accompanying the document

**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

Implementation of the European Neighbourhood Policy in 2014

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1. OVERALL ASSESSMENT AND RECOMMENDATIONS FOR ACTION

This document reports on progress made on the implementation of the EU-Lebanon European Neighbourhood Policy (ENP) Action Plan between 1 January and 31 December 2014. The Action Plan 2013-2015 was formally adopted on 20 June 2014. Developments outside this period are taken into consideration where relevant. This is not a general assessment of the political and economic situation in Lebanon. Information on regional and multilateral sector processes is contained in the Partnership for Democracy and Shared Prosperity progress report.

In 2014 numerous bilateral meetings allowed for exchanges on the Action Plan agenda in various sectors ranging from human rights, security, migration, economic and trade issues to social policies and education. In December the EU and Lebanon agreed to engage in a deeper dialogue on migration and mobility. The new EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica Mogherini, visited Lebanon in December. She met with Prime Minister Tammam Salam to discuss security related and refugees' issues. The Members of the European Commission for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, and for Humanitarian Aid and Crisis Management, Christos Stylianides, visited Lebanon in January 2015.

Despite its own sectarian fragility, Lebanon continued to exercise a high degree of resilience against the challenges and threats that emerged from the **turbulence in the region**. The fourth year of the ongoing conflict in Syria challenged Lebanon's stability and escalated pressure on Lebanon's institutions, the country's economic activities, its social balance and infrastructures. By the end of 2014, Lebanon hosted almost 1.2 million registered **refugees** from Syria and Iraq, making it the country with the highest number of refugees per capita in the world. This is over and above the large number of Palestinian refugees that have been resident in Lebanon for decades. The EU allocated more than EUR 182 million in development and humanitarian assistance to Lebanon in 2014, i.e. more than triple the amount of pre-crisis bilateral assistance.

Lebanon's **security situation** remained highly volatile throughout the year and escalated in August 2014 when extremist groups spreading from Syria started to attack the security forces, mainly in the northern and eastern border areas. Lebanon's security agencies have shown commitment and determination in jointly maintaining the stability and security of Lebanon. Lebanon increased its engagement with the international community to fight **terrorism** and continued to call for international support to its security forces, in particular the Lebanese Armed Forces. Increased international assistance was mobilised in the framework of the *International Support Group* for Lebanon meeting four times in 2014.

Lebanon's **institutions** were put under pressure in 2014. The Government of Prime Minister Salam had to assume presidential prerogatives following the expiration of the mandate of President Michel Sleiman in May. Failure to elect a new President negatively affected the functioning of the government, as well as parliament. Resorting to the difficult security situation, parliament decided to postpone legislative elections due in November and to extend its term for a second time until 2017. In this context, the restricted functioning of the legislature, the limited effectiveness of the executive body and the serious security challenges did not constitute an appropriate ground for reforms.

Taking this particular background into account, there was limited progress in Lebanon on deep and sustainable democracy. The parliamentary elections were postponed and the extended timeframe was not used to reform the electoral framework. The double extension of parliament's mandate denied Lebanese citizens the right to vote and choose their political leadership.

Lebanon made some progress with regard to human rights and fundamental freedoms, in particular in the area of rights of women and children. New legislation was adopted to protect victims of domestic violence and fighting parental violence. Lebanon made limited progress in governance-related issues, such as public procurement and public finance management.

The involvement and participation of civil society in the policymaking processes of the government remained insufficient.

As regards trade, Lebanon signed the Regional Convention on pan-Euro-Mediterranean preferential rules of origin. A new national support strategy for small and medium-sized enterprises (SMEs) is expected to contribute to an improvement in Lebanon's business environment.

Weakened institutions did not allow strategic economic and social policy choices to be adopted and implemented. Issues such as high unemployment, growing poverty, a widening gap in public finances, coupled with shrinking energy and water supplies, remained unaddressed. While this deteriorating situation is to a great extent exacerbated by the inflow of Syrian refugees, the lack of appropriate policy choices aggravates the situation for the Lebanese economy and for Lebanese people.

Overall, Lebanon made limited progress in implementing the ENP Action Plan, with achievements in the areas of human rights and fundamental freedoms, in trade-related issues and in sectoral policies, such as SMEs. Most importantly, and beyond the Action Plan objectives as such, Lebanon applied a successful security policy, maintained internal stability and showed ongoing economic resilience. These achievements can be seen as the most important factors in ensuring the stability and unity of the country.

Based on the assessment of its progress made in 2014 on implementing the ENP, Lebanon should focus its work in the coming year on:

- continuing to preserve peace and stability, promote moderation and dialogue, defuse tensions and ensure internal security;
- legalising the *de facto* moratorium on the death penalty;
- restoring the functioning of its institutions in line with its constitutional framework; most importantly, electing a new President and holding legislative elections in the shortest possible timeframe;
- effectively using the extended timeframe for the legislative elections to reform the electoral framework, taking into account the international standards and recommendations of the EU election observation mission;

- further improving the work of security agencies and reforming the security sector; improving the capabilities, conduct and accountability of Lebanon’s security agencies, further improving cooperation among the agencies and between the agencies and the judiciary;
- promoting counter-radicalisation measures to address the roots of the problem, e.g. through improved education and socio-economic development in the most vulnerable regions;
- taking measures to alleviate the burden of the deteriorating economic and social situation on the Lebanese population; adopting policy measures that stimulate the creation of jobs, supporting local development, enhancing the provision of social and health services and normalising electricity and water provision;
- enhancing the national response to the Syrian refugee crisis by increasing inter-ministerial coordination and involvement and coordination with the international donor community and by adopting a comprehensive policy response in affected sectors;
- adopting the budget and improving public finance management to enable targeted public spending in support of government policies.

2. POLITICAL DIALOGUE AND REFORM

Deep and sustainable democracy

Legislative **elections**, originally scheduled for June 2013, were postponed for the second time in November 2014 and parliament’s term was extended for an additional two years and seven months. The justification given for this extension was the difficult security situation. If implemented in full, parliament will have gained an additional four years to its mandate, as the new legislative elections will be held only in June 2017. The result is that Lebanese citizens have been deprived of their right to vote.

Reforms of the electoral framework, to bring it into line with international standards, did not further advance. The preparations for elections were ongoing on the basis of the 2008 electoral law when the decision was made to postpone them. The EU continued to support the electoral reform process through projects with the government and civil society.

The work of **parliament** was limited in 2014. While a number of draft laws were adopted at the beginning of the year, failure to elect a new President before 25 May 2014 blocked the legislative work further on. Parliament met on fewer occasions due to the continued lack of agreement on a presidential candidate. The number of draft laws awaiting discussion and adoption in parliament grew further in 2014.

Press and other media continued to enjoy a high level of freedom and Lebanon’s active civil society plays an important role in advocating reforms, albeit with limited influence. **Freedom of expression** is guaranteed by Lebanon’s Constitution. Nevertheless, media law reform is overdue, especially with a view to refining the definition of defamation/slander.

The absence of a law on electronic media hampers the effective regulation and protection of online expression, leaving it to the cybercrime bureau.

According to civil society reports, 2014 saw an increase in the number of assaults and attacks against journalists in Lebanon by both state and non-state actors. Cases were reported of journalists being charged for defamation, including cases before the military courts.

Freedom of association continued to be respected in Lebanon. Civil society organisations reported on obstacles to registration of some international non-governmental organisations and organisations working in the field of lesbian, gay, bisexual, transgender and intersex (LGBTI) rights. Public sector employees do not have the right to organise. Lebanon did not ratify International Labour Organisation (ILO) Convention No 87 on Freedom of Association and Protection of the Right to Organise. Draft legislation in this regards was submitted to parliament.

The establishment of a Secretariat of the High Judicial Council, enhancing its autonomy, was the only new development in improving the **independence of the judiciary**. The Council still depends on the Ministry of Justice and appointments of judges continue to suffer from political interference. Inefficiency in judiciary proceedings and limitations in legal aid provisions hinder access to justice. The Minister of Justice announced that cases of civilians being brought before military courts would be stopped, but the relevant legislation has not been approved yet. The EU's commitment to supporting judicial reform is reflected in its engagement to provide financial assistance totalling EUR 22 million for projects in this sector. Lebanon continued its cooperation with the Special Tribunal for Lebanon (STL) and paid its contribution to the STL's 2014 budget.

There were no tangible developments with regard to legislation to make the fight against **corruption** more effective. Lebanon's ranking in Transparency International's Corruption Perception Index has worsened, from 127th out of 177 in 2013 to 136th out of 175 in 2014.

The general security situation in the country deteriorated and Lebanon's **security forces** faced new threats of terrorism spreading from the conflicts in the region. Responding to the government's security plan, the Lebanese Armed Forces succeeded in curtailing the violence in the North and in the Aarsal area and in uncovering new security threats across the country. Increased cooperation among the security agencies was welcomed by the international community. In advancing security sector reform, further improvements are needed in inter-agency coordination, in coordination between the security agencies and the judiciary, and in increasing the capabilities, professionalism and accountability of all security forces. The EU reacted positively to the Lebanese Armed Forces' demands for increased international support on the basis of its Capabilities and Development Plan. New programmes were launched in the security sector, expanding the scope from the Internal Security Forces to include the Lebanese Armed Forces, General Security and Lebanese Customs.

Other human rights and fundamental freedoms

Human rights and fundamental freedoms continued to be respected in Lebanon. During the reporting period, no new developments were noted in improving the general legal **framework for their protection**. The adoption and implementation of the National Human Rights Action Plan and the establishment of a human rights institution stalled, as did the establishment of a

national mechanism for torture prevention. Lebanon did not ratify any of the outstanding international instruments (e.g. the Geneva Convention Relating to the Status of Refugees).

In 2014 Lebanon was a subject to an inquiry under Article 20 of the Convention against Torture (CAT). The inquiry, whose methodology and outcomes were contested by Lebanon, reported that **torture** is being routinely used by the armed forces and law enforcement agencies for the purpose of investigation, and for securing confessions. The existing law fails to criminalise all forms of torture. The Internal Security Forces continued to work on promoting respect for human rights within their structure.

Limited progress was observed in **penitentiary reform**. While the commitment to transfer management of prisons from the Ministry of Interior to the Ministry of Justice has not materialised yet, further steps were taken in the form of reinforcing the capacity of the Ministry of Justice for this purpose. Lebanon's prisons and detention centres continued to suffer from substandard conditions, overcrowding and weak management. More than 60% of inmates are in pre-trial detention, and the proportion is rising. The EU continued to support penitentiary reform via the United Nations Office on Drugs and Crime (UNODC) with EUR 2 million.

Lebanon has not committed itself to the abolition of the death penalty, or to the legalisation of the existing *de facto* moratorium. Legislation now allows the death penalty to be commuted to life in prison.

Freedom of religion or belief is well respected in Lebanon and enshrined in its constitutional setup.

Major progress in protecting the **rights of women and children** was made with the adoption of legislation protecting women and other family members from domestic violence.¹ It introduced emergency procedures providing protection to the victims within 48 hours in urgent cases. The immediate implementation of the new legislation was another step forward. Lebanese women are still not able to pass their nationality to their children. Female participation in political, social and economic life remains very low. In the Global Gender Gap Report prepared by the World Economic Forum, Lebanon ranked 135th out of 142 countries. Some improvement was made in nominating women to key government positions. Out of 56 key posts, 12 were filled by women.

The situation of **migrants and asylum-seekers** remains unchanged as Lebanon is not party to the Geneva Convention on the Status of Refugees. The revised memorandum of understanding with the United Nations High Commissioner for Refugees (UNHCR) was not signed by Lebanon's government. The need to formalise relations became evident with the rising importance of better management of flows of refugees from Syria to Lebanon. The detention conditions for migrant workers, asylum-seekers and refugees with irregular migrant status have not changed and remain in bad condition. The Foundation for Human and Humanitarian Rights — a Lebanese NGO — recently reported cases of suicide by domestic workers. In some cases, the mistreating parties have been jailed.

¹ Law 293/2014, promulgated by the President of the Republic on 07/05/14 and published in the Official Gazette No 21 dated 15.05.14.

Palestinian refugees in Lebanon continue to face limitations to their right to employment, to own property and to benefit from social security. Their poor living conditions further deteriorated with the arrival of more Palestinian refugees from Syria. In May the General Security restricted entry for Palestinians coming from Syria, denying entry to most of them and making it illegal for those already in Lebanon to stay. Registering marriages and new-borns became impossible due to missing residence permits. The proposed exemption on outstanding residency-related fees introduced by the government in September 2014 provided only a temporary solution.

Discrimination against **LGBTI** persons, including cases of detention, prosecution and use of 'honour tests', continued, as reported by civil society organisations.

In the field of **economic and social rights**, civil servants continued their strike for the revision of salary grids, although the law does not give public sector employees the right to organise. Demonstrations continued by employees of 'Electricité du Liban' recruited for long periods based on daily contracts or through private contractors, which denied them basic social benefits.

Other governance-related issues

The Office of the Minister of State for Administrative Reform continued to implement a strategy to enhance public transparency, accountability and effectiveness. The EU has provided EUR 9 million in support of administrative reforms since late 2011. In addition to technical assistance to support reform of human resources management and public procurement, support for the simplification of the government's administrative procedures started in 2014.

The draft **decentralisation** law was presented to civil society in 2014. Some of Lebanon's municipalities, mainly in the North and East of the country, suffered from the immense burden of hosting Syrian refugees. In several areas, the number of Syrian nationals was higher than that of the local population. The EU welcomed Lebanon's hospitality and continued its commitment to assist host communities coping with the pressure.

Lebanese civil society organisations, while vibrant and active, complain of limited and inconsistent dialogue with the government and continue to have little influence on its policies. They have been involved to only a limited extent in discussions on new policies and strategies and in the preparation of laws.

Cooperation on foreign and security policy, regional and international issues, conflict prevention and crisis management

Lebanon continued to suffer from the repercussions of the armed conflict in Syria and to bear the increasing pressure of 1.2 million refugees. Several attacks by violent extremist groups against the Lebanese security forces took place in the area of Aarsal in August, which resulted in the death, injury and kidnapping of Lebanese soldiers and policemen.

Lebanon increased its engagement to work with the international community in fighting **terrorism**. The EU discussed with the Lebanese authorities possible initiatives for cooperation in this field in line with the EU's counterterrorism / foreign fighters' strategy of 20 October 2014. The EU and Lebanon continued to actively participate in the *International*

Support Group for Lebanon, committing to assist Lebanon in coping with the repercussions of the crisis. In this framework, the EU confirmed its commitment to supporting the Lebanese Armed Forces in building their capacity.

Lebanon is now also benefiting from actions under the 2013/698 Common Foreign and Security Policy (CFSP) Council Decision in support of a global reporting mechanism on illicit small arms and light weapons and other illicit conventional weapons and ammunition to reduce the risk of illicit trade in them.

Lebanon remained committed to implementing United Nations Security Council (UNSC) Resolutions, mainly 1701 and 1757. UNIFIL (United Nations Interim Force in Lebanon) continued its operations with good cooperation with the Lebanese Armed Forces. Lebanon did not advance the implementation of UNSC Resolution 1701 on the disarmament of all armed groups and full control of arms distribution and ownership by the authorities. Armed incidents continued to take place throughout the country and the possession of light weapons is widespread among the various communities.

3. ECONOMIC REFORM AND SOCIAL REFORM AND DEVELOPMENT

Lebanon's macroeconomic situation continued to deteriorate in 2014 as a consequence of regional and domestic events. Economic **growth** is expected to have remained weak, at 1.8%², while the current account deficit continued to be large, estimated at above 12% of gross domestic product (GDP). The fiscal deficit is expected to have widened to more than 11% of GDP (up from 9% in 2013), partly reflecting the impact of the Syrian refugee crisis. The latter led to increases in spending on health and education, on subsidised items such as bread and electricity, and on security and defence. Government debt grew further to around 140% of GDP, one of the highest ratios in the world. With three quarters of expenditure going towards paying interest on debt, civil servant wages and inefficient energy subsidies (notably for electricity), the scope for targeted social expenditure and growth-supporting public investments remains severely constrained.

Lebanon remained financially resilient in 2014. The economy is still rather undiversified, relying mostly on the financial sector, tourism and real estate a vulnerability underscored by the Syrian crisis. Key structural reforms, in particular of the tax system and the energy sector, are therefore important.

The World Bank estimated in September 2013 that, by the end of 2014, the **unemployment** rate would reach more than 20%, double that of 2012 due to the impact of the arrival of Syrian refugees, which also led to a drop in wages for low-skilled labour and to a growing informal economy. The World Bank also estimated that there would be 170000 extra poor people in Lebanon by the end of 2014 as a result of the impact of the Syrian crisis.

A new programme addressing **social cohesion** in Lebanon began to be implemented, including (1) support for the National Social Security Fund to improve the quality and coverage of its services and (2) a large-scale household survey that will be implemented jointly by the ILO and the Central Administration for Statistics.

² For sources and detailed figures, see Statistical Annex accompanying the reports; figures without sources are forecasts by Commission services.

The **agriculture** development strategy for 2010-2014 was credited with helping to increase that sector's share of GDP to 5 %, from 3.85 % in 2010. The agricultural strategy for 2015-2019, elaborated with the help of the EU under the ENPARD Lebanon initiative, was signed in December 2014.

4. TRADE-RELATED ISSUES, MARKET AND REGULATORY REFORM

The EU was Lebanon's second most important trading partner, with total trade in goods amounting to EUR 6.9 billion in 2014.

Concerning **customs**, Lebanon signed the Convention on pan-Euro-Mediterranean preferential rules of origin in October 2014 and began ratification. The Lebanese customs authorities received support from an EU-financed twinning project and an integrated border management project.

Regarding the **free movement of goods and technical regulations**, Lebanon continued the preparations for negotiations on an agreement on conformity assessment and acceptance of industrial products. Decrees on the implementation of the Technical Regulation and Conformity Assessment Procedures Law and the Metrology Law were drafted with technical assistance from the EU, which also continued to support quality infrastructure through a twinning project.

Lebanon continued to implement its **phytosanitary** development strategy 2012-2016. The draft law on **food safety**, developed with EU support, awaited discussion in parliament. With EU support, a technical manual on potato pest detection was drafted and training for laboratories was provided.

Lebanon's business climate continued to inhibit investors and deteriorated compared to the previous year since difficulties still remain for starting a business, acquiring construction permits, getting credit and enforcing contracts. The debate on the financing of public sector salaries showed that the government was not ready to reform the **tax** system, which continued to rely mainly on indirect taxes. In April 2014 new laws were passed to provide various new reductions in (and exemptions from) penalties for delays in the payment of tax. A reduction in corporate income tax was also introduced for exporters of Lebanese products.

The quantity and quality of statistical data issued by the Central Administration for Statistics (CAS) continued to be upgraded through EU financial support and the International Labour Organisation's technical help. A new strategy for developing agricultural **statistics** was prepared by CAS, the Ministry of Agriculture and EU experts, with additional EU support to be provided for the conduct of surveys of living conditions and migration.

The joint 2014 evaluation on SME policy³ highlighted challenges to be addressed by the country, including the needs for better coordination among ministries and institutions in charge of SME support, effective implementation of the new bankruptcy law, and a comprehensive export promotion strategy.

³ "SME Policy Index The Mediterranean Middle East and North Africa 2014 Implementation of the Small Business Act for Europe" (SBA)".

An assessment of the **SME** policy environment was carried out with reference to the Euro-Mediterranean Charter for Enterprise and the Small Business Act for Europe. Preliminary conclusions indicated that, while the institutional framework for SME policy remains weak, a range of independent initiatives and institutions make valuable contributions. In an effort to develop the SME business environment, the Ministry of Economy and Trade has conducted a national consultation and presented the national support strategy for SMEs ‘Lebanon SME Strategy: A Roadmap to 2020’ in December 2014.

Some progress was achieved in **public finance management**, with Lebanon’s fiscal accounting becoming more compliant with international standards and through more effective allocation of public resources. The Ministry of Finance drafted a medium-term expenditure framework. However, as in previous years, the draft budget was not approved by parliament.

Under the EU-funded IMP-MED Project, Lebanon acknowledged the integrated **maritime policy** (IMP) / Blue Economy concepts and the importance of addressing maritime issues in a more coordinated way. For this purpose, a decision was taken to create a dedicated National Committee on integrated maritime policy.

Parliament amended legislation on **consumer protection**, notably by clarifying the procedures and measures applicable to products that do not meet required sanitary standards. The Ministry of Health implemented a major enforcement campaign during which more than one thousand food-selling points were inspected.

5. COOPERATION ON JUSTICE, FREEDOM AND SECURITY

The border between Lebanon and Syria is still not adequately delineated or controlled and incursions into Lebanon by armed groups and shelling from opposition strongholds in Syria continued. The EU continued its support to Lebanon through the EU Integrated Border Management (IBM) programme; coordination between the security agencies responsible for border management improved although a comprehensive IBM strategy has yet to be officially adopted.

In December the EU and Lebanon initiated a **Dialogue on Migration, Mobility and Security**. The dialogue will be comprehensive and address the interlinked issues of facilitating legal migration and mobility, preventing irregular migration and trafficking in human beings, promoting international protection, asylum and maximising the development impact of migration.

The presence of the numerous **migrant** domestic workers continues to be organised along the lines of the so-called ‘kafala’ sponsorship system. This system has exposed them to abuses in the past, since they do not fall under Lebanese labour law. Draft legislation on the ratification of ILO Convention No 189 on ‘Decent work for domestic workers’ was prepared but has not been approved by the government and parliament yet. As a consequence, migrant domestic workers have little legal protection. It was reported that 2014 saw the introduction of additional restrictions, such as the denial of renewal of residency permits to children of legal migrant workers and more frequent raids to identify domestic workers working as ‘freelancers’.

The number of **refugees and asylum-seekers** fleeing the violence in Syria and seeking refuge in Lebanon continued to increase, reaching extraordinary numbers in 2014. According to the UNHCR, almost 1.2 million refugees from Syria were registered in Lebanon by 10 December 2014. At the end of 2014, more than 25% of the resident population in Lebanon were refugees. The number of Palestinian refugees from Syria in Lebanon fell during 2014; by the end of August, the United Nations Relief and Works Agency (UNRWA) estimated the number at 42 000 individuals, down from 53 000 before May 2014, when access restrictions were reintroduced for Palestinian refugees.

Lebanon continued to lack an adequate legal framework in line with international standards for providing protection and assistance to people in need of international protection. The legal status of refugees in Lebanon therefore remained unclear. The government continued negotiations for a memorandum of understanding with the UNHCR which would allow the agency to fulfil its mandate without restrictions.

Lebanon's generous open-door policy in relation to people fleeing Syria, resulting in the heaviest Syrian refugee burden on a per capita basis, was sharply curtailed as from September 2014. In the beginning of 2015, Lebanon started to apply stricter entry conditions for people originating in Syria.

The new measures raised concerns regarding the government's commitment to ensuring humanitarian support as well as protection space for refugees in Lebanon, including the principle of *non-refoulement*. Also, the number of raids against and arrests of Syrian refugees increased significantly since the events in Aarsal in August 2014. There were 82 raids only in August and September and the number of arrests increased from 464 in August to 1 111 in September.

By the end of 2014, the EU had allocated EUR 459.4 million to support refugees from Syria and vulnerable communities in Lebanon, i.e. EUR 182.3 million in EU humanitarian aid, EUR 27.6 million through the Instrument for Stability (IfS) and EUR 249.5 million through the European Neighbourhood Instrument (ENI).

The nomination of a Eurojust contact point would help facilitate closer judicial cooperation with the EU.

6. TRANSPORT, ENERGY, ENVIRONMENT, CLIMATE CHANGE, INFORMATION SOCIETY, RESEARCH AND DEVELOPMENT AND INNOVATION

Officials drafted a national land **transport** policy and submitted it to the Cabinet, whose approval was still awaited. Cabinet approval was similarly awaited for a draft maritime transport policy, for the creation of a maritime transport authority and of a land transport authority, and for investment plans for Beirut's and Tripoli's harbours. Lebanon took procedural steps towards recognising certification of seafarers in accordance with the IMO-STCW Convention.

The implementation of the 2002 legislation to establish an independent Lebanese Civil **Aviation** Authority remained incomplete, as the government did not appoint a Board of Directors to take over control of the Directorate-General for Civil Aviation (DGCA). Civil aviation continued to be governed by the DGCA under the government's control. The

government's failure to establish an independent aviation authority remains a serious concern for the EU.

Lebanon therefore agreed to prepare an action plan for the further improvement of the civil aviation system and duly provided this to the European Commission as additional information for the discussion at the Air Safety Committee meeting of November 2014. The Air Safety Committee decided not to impose a ban on Lebanese airlines and to closely follow the developments in Lebanon in order to review the situation at the next meeting of the Air Safety Committee in June 2015. Bilateral discussions in October 2014 indicated willingness to resume negotiations on a bilateral comprehensive aviation agreement.

Lebanon has not yet ratified the so-called 'Horizontal' Agreement on aviation which brings the existing bilateral air services agreements⁴ between the EU Member States on the one hand, and Lebanon on the other, into conformity with EU law.

Lebanon's **energy** demand continued to outstrip supply, leading to regular power cuts as substantial investments in power plants have not been made. Progress in the government's work to increase generation capacity progressively by 2025, notably at the existing Jieh and Zouk power plants and on construction of a new plant in Deir Ammar was hampered by delays in payments to contractors and by the unstable security situation. Legal and political challenges halted the progress of the licensing round for exploration and development of offshore oil and gas (which had been launched in 2013) as well as other proposals by the Petroleum Administration.

Lebanon made significant progress in pursuit of its target to meet 12% of its energy needs from **renewable energy** sources by 2020, notably by meeting its 2014 target for installations of new solar water heaters. This was one of 14 national initiatives to develop renewable energy sources and encourage energy efficiency. The EU supported Lebanon's efforts with EUR 23.8 million of financial assistance, directed to renewable energy projects. Lebanon took part in the regional project MED ENEC II, which aims to promote energy efficiency measures and renewable energy systems in buildings, and in the 'Paving the Way to the Mediterranean Solar Plan' regional project.

Following the establishment of an inter-ministerial committee on **climate change**, Lebanon continued working towards a low-carbon development strategy; this activity was supported by the EU-financed Low Emission Capacity Building programme. Lebanon devised a variety of mitigation measures including support for renewable energy, and developed nationally appropriate mitigation actions in the waste and transport sectors. Lebanon started to prepare its intended nationally determined contribution (INDC), including through an extensive public consultation exercise.

Lebanon strengthened its **environment** policy framework. Parliament approved legislation establishing an environmental prosecutor and judges in April 2014, and authorised the country to adhere to the Protocol on cooperation in preventing pollution from ships and, in cases of emergency, combating pollution of the Mediterranean Sea (Prevention and Emergency Protocol).

⁴ Signed in 2006

The Ministry of the Environment launched inter-ministerial discussions in preparation for the ratification of the Barcelona Convention Protocol on Dumping. The Council of Ministers established a ministerial committee to draft a water code and approved laws and decrees related to quarrying, nature reserves and hunting, and a plan to combat pollution in the Qaraoun Lake (Lebanon's largest body of fresh water). A strategy on marine-protected areas was completed, decrees were issued on oil spills, and Lebanon began preparing a strategic environmental assessment of the petroleum sector.

Water resources became scarce due to very low precipitation, and the influx of refugees from Syria put new pressures on Lebanon's water and sanitation infrastructure. Since 2013, the EU has committed more than EUR 70 million to support the provision of water and for wastewater services for the Lebanese communities most affected by the influx of refugees from Syria.

In April, parliament passed a law that reformed the organisation of **civil defence** and allowed the current volunteers staffing the organisation to be officially appointed.

On **information society**, the state remained the sole owner of the mobile and fixed line networks. The sector remained non-liberalised. The Ministry of Telecommunications (MoT) continued to act as a licensing authority, and Internet access remained expensive by international and regional standards. Regarding **audiovisual policy**, the role of the Conseil National de l'Audiovisuel remained only consultative. Decisions on licences for electronic/audiovisual media were taken by the Council of Ministers. A proposal on electronic transactions (covering e-signature, data protection and e-commerce) was still awaiting final parliamentary approval and several draft regulations in the area of telecommunications regulation were still pending government approval.

Lebanon invested EUR 200,000 in the first joint call of the EU funded project for alignment of Euro-Mediterranean research programmes (ERANETMED). Lebanon is among the most active participants in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) and the Euro-Mediterranean Innovation Agenda as well as in the recently launched science diplomacy platform Middle East Research and Innovation Dialogue (MERID). It is important to increase public information so as to enhance Lebanon's participation in research cooperation, notably in the EU 'Horizon 2020' Programme, for which a newly set-up thematic network of national contact points and a dedicated web portal have been put in place.

7. PEOPLE-TO-PEOPLE CONTACTS, EDUCATION AND HEALTH

The influx of refugees from Syria continued to be a challenge for the education system and a considerable strain on the public education infrastructure in poor parts of the country. There were approximately 390 000 Syrian children of school age (5-17 years old) among the Syrian refugees registered by the UNHCR by the end of 2014, and an estimated 10 000 school age Palestinian refugees from Syria, of whom around 7 000 were enrolled in UNRWA schools.

During the 2013-2014 school year, 90 000 Syrian children were enrolled in the formal Lebanese public school programmes, and around 30 000 others received various forms of non-formal education, to a large extent accelerated learning programmes taking place in the afternoon in public schools. The EU has continued to support access to education for both Syrians and Palestinian refugees from Syria.

In June 2014 the government launched its 'Reaching All Children with Education' (RACE) policy to respond to the crisis. Despite ambitious goals for enrolment of refugee children in public schools, the number of enrolled children was reduced to approximately 30 000, mainly due to lack of agreement on implementation modalities for first shift, second shift and non-formal education. Second shift classes only began in January 2015.

The government decided to grant all students, without distinction, 'certificates of end of education' intended to allow them all to enter university, a measure which threatens the quality of the higher education system.

With regard to the reform of **the vocational education and training** (VET) system, the further deployment of the National Qualifications Framework was delayed. The work on introduction of entrepreneurship as a key competence in education continued, the validation of entrepreneurship modules and their introduction in the normal curricula is under way. A pilot project was set up to establish Guidance and Employment Offices in 11 VET schools.

Lebanon participated in the **Tempus** programme with 23 on-going projects out of which three are coordinated by a Lebanese higher education institution. 201 students and staff were selected within partnerships supported by **Erasmus Mundus** and five master students and one doctoral candidate were awarded scholarship/fellowship under joint programmes. One organisation was selected for funding under the renamed Marie Skłodowska-Curie actions (MSCA) under 'Horizon 2020'. **Youth** and youth organisations benefited from **Erasmus+**, with 118 participants in mobility projects.

The Ministry of **Culture** continued to suffer from lack of resources and Lebanon is not yet a party to the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Cooperation on MedCulture and Euromed Audiovisual programmes continued.

While Lebanon's **public health** system continued to face major problems, including delayed payment of wages to hospital employees and additional strain on resources due to the influx of refugees from Syria, there were some improvements, including the appointment of new boards to some hospitals.

Lebanon continued its technical cooperation with the European Centre for Disease Prevention and Control (ECDC) on an EU-funded regional project on preparatory measures to support the participation of ENP countries in ECDC activities. Lebanon nominated a national correspondent for relations with the ECDC and actively participated in the first 'National ECDC Correspondent meeting' organised by the ECDC in May.

Lebanon gave a major contribution to the development of the EU-supported Mediterranean Programme for Intervention Epidemiology Training project (MediPIET) implemented under the scientific leadership of the ECDC and aimed at strengthening national and regional capacity for surveillance and response to cross-border health threats by creating a regional network of competent field epidemiologists. It enrolled two fellows in the first cohort of the MediPIET training programme.