

ARLA PROGRAMME

**Assistance to the Rehabilitation of the Lebanese
Administration**

**Government of Lebanon
Office of Minister of State for Administrative Reform**

PROGRAMME MONITORING CONSULTANCY

ANNUAL REPORT 2000



Arcadis BMB

In consortium with



LDK

Beirut, February 2001

ARLA Programme

Assistance to the Rehabilitation of the Lebanese Administration

OFFICE OF THE MINISTER FOR ADMINISTRATIVE REFORM

GOVERNMENT OF LEBANON

PROGRAMME MONITORING CONSULTANCY

Annual Progress Report 2000

Beirut, February 2001



Arcadis BMB

In consortium with



REPORT COVER PAGE

Project Title	: Programme Monitoring Consultancy of the ARLA Programme	
Project Number	: 1LBN/B7-4100/IB/97/0687	
Country	: Lebanon	
EC Consultant Consortium:		
Name:	ARCADIS BMB	LDK
Address:	P.O.Box 550, 6800 AN Arnhem, The Netherlands	P. O. Box 51299, 21Thivaidos GR-14510 Kifissia, Greece
Tel. number:	+31 26.3577477	+30 1.8196700
Fax number:	+31 26.3517861	+30 1.8196709
Email address:	bmb@arcadis.nl	main@ldk.gr
Contact person:	Pieter van Stuijvenberg	Leonidas Damianidis
Team Leader:	Dimitrios Sfikas	
Project Address:	George Picot Ave. Beirut Starco Building 5 th floor	
Project Tel. & fax:	+961 1.364046 (or +961 1.371510 ext 130)	
Email:	pmc003@omsar.gov.lb	
Project Mailing:	P.O.Box 11/405	
Address:	Beirut, Lebanon	
Contracting Authority:		
Name:	Office of the Minister of State for Administrative Reform (OMSAR)	
Address:	George Picot Ave. Beirut Starco Building 5 th floor	
Tel. number:	+961 1 371510	
Fax number:	+961 1 371599	
Email and web site:	newsletter@omsar.gov.lb ; http://www.omsar.gov.lb	
Contact persons:	Dr Raymond Khoury, Director TCU, OMSAR Mr Atef Merhi, Acting Director, IDU, OMSAR Mrs Roula Kabbani, EC Project Coordinator, OMSAR	

Date of report: 6 February 2001

Reporting period: Year 2000

Author of report: Programme Monitoring Consultancy

Table of Contents

REPORT COVER PAGE.....	2
TABLE OF ABBREVIATIONS	4
PMC PROJECT SYNOPSIS	5
Executive Summary	8
Introduction	11
Section 1. Background to the ARLA Programme.....	12
Section 2. ARLA/PMC Approach to Administrative Reform.....	13
Section 3. Areas of Assistance	15
Section 4. Expected Outcomes, and Conditions for Success	17
Section 5. PMC Work Plan July 2000 – June 2001	18
<i>Assistance to / through OMSAR.....</i>	<i>18</i>
<i>Assistance to Core Administrative Agencies.....</i>	<i>20</i>
<i>Assistance to Sector Institutions.....</i>	<i>20</i>
Section 6. Achievements of the PMC in the Year 2000.....	22
<i>Assistance to/through OMSAR.....</i>	<i>22</i>
<i>Assistance to six Core Administrative Agencies</i>	<i>25</i>
<i>Establishment and monitoring of sectoral programmes</i>	<i>26</i>
Section 7. Procurement in 2000.....	33
Section 8. Financial Progress	38
Section 9. Visit of the Monitoring and Evaluation Mission.....	39
Section 10. Protocol Agreement	40
ANNEXES	
Annex 1. ARLA Budget Summary as at end December 2000.....	41
Annex 2. PMC Expenditure statements at end December 2000	42
Annex 3. Staffing Resource Utilisation Tables	43
Annex 4. List of document outputs, technical and administrative	44
Annex 5. PMC Activities conducted in the Year 2000, compared with targets in Work Plan July 2000 - June 2001	45
Annex 6. Summary of the Strategy Paper on Administrative Reform	46

TABLE OF ABBREVIATIONS

ARLA	Assistance to the Rehabilitation of the Lebanese Administration
BMB	(Company in the Consultants' Consortium)
CAS	Central Administration of Statistics
CDR	Council for the Development and Reconstruction
CI	Central Inspection
COA	Court of Audit
CSB	Civil Service Board
DG	Directorate General
EC	European Commission
EU	European Union
FA	Financing Agreement
GOL	Government of Lebanon
HRD	Human Resource Development
IAP	Immediate Action Package
ICT	Information Communications Technology
IDU	Institutional Development Unit, OMSAR
IPA	Institute of Public Administration
LDK	(Company in the Consultants' Consortium)
LE	Local Expert
LT E	Long Term Expert
M&E	Monitoring and Evaluation
Mm	Man months
MOET	Ministry of Economy and Trade
MOF	Ministry of Finance
MOL	Ministry of Labour
MOSA	Ministry of Social Affairs
MOPW&T	Ministry of Public Works and Transport
MTel	Ministry of Telecommunication
MSC	Management Support Consultancy
NARP	National Administration Rehabilitation Programme
NEO	National Employment Office
NIAD	National Institute of Administrative Development
NSSF	National Social Security Fund
OMSAR	Office of the Minister of State for Administrative Reform
PMC	Programme Monitoring Consultancy
RGA	Research and Guidance Administration (in Central Inspection)
STE	Short Term Expert
TA	Technical Assistance
TCU	Technical Cooperation Unit, OMSAR
TL	Team Leader
TOR	Terms of Reference
TRA	Telecoms Regulatory Authority
WB	World Bank

PMC PROJECT SYNOPSIS	
Programme Title	Assistance to the Rehabilitation of the Lebanese Administration
Project Title	Programme Monitoring Consultancy of the ARLA Programme
Project Number	ILBN/B7- 4100/IB/97/0687
General objective[s]	To improve the performance and quality of service delivery by the Lebanese administration
Specific objectives	<ul style="list-style-type: none"> • To streamline and strengthen a number of Core Administrative Agencies in their key-tasks • To strengthen the Office of the Minister of State for Administrative Reform (OMSAR) in its functions pertaining to NARP/administrative reform, and to assist it in managing the ARLA in particular • To assist the OMSAR in establishing and subsequently monitoring specialised projects in various public institutions in central administration, public utilities, service networks and local administration, in order to strengthen these institutions
Outputs	<ul style="list-style-type: none"> • Assistance to six Core Administrative Agencies • Assistance to/through OMSAR in a number of areas • Sectoral projects, implemented through Management Support Consultancies (MSCs) and in some cases also Immediate Action Packages (IAPs)
Proposed Activities	<p>Activities for Core Administrative Agencies in terms of:</p> <ul style="list-style-type: none"> • Performance Improvement and Modernisation of the Civil Service Board (CSB), Central Inspection (CI), Court of Audit (COA), and the Directorate General of the Presidency of the Council of Ministers (DGPCM) • Strengthening capacity of the Central Administration of Statistics (CAS) to provide statistics and compile national accounts • Strengthening of National Institute for Administrative Development (NIAD) / IPA capacity for continuous training. Transforming it into a training services provider and reinforcing its role in the design and implementation of training policy <p>Activities for and through OMSAR in terms of:</p> <ul style="list-style-type: none"> • Programming, Monitoring and Evaluation of NARP by overall Programming and Monitoring of the ARLA Programme, Donor Coordination, Needs Assessments for and identification of New Projects, a Project Management Information System, and Monitoring and Evaluation. • Administrative Modernisation and Reform through Strategy Development for Public Administration Modernisation, Strengthening Local Administration and its Delivery of Services, and Improvement of Bureaucratic Efficiency and Responsiveness. • Designing and Implementing an Information and Communication Technology Strategy for the Public Sector and conducting IT activities in selected institutions. • Design of a Training Strategy in the context of the country's administrative modernisation programme, assistance in its implementation, and activities in training of government officers in selected areas. • Strengthening OMSAR/TCU's capacity to manage ARLA services and supply tendering and contracts. Ensure transfer of knowledge of EC procurement procedures. <p>Establishing and Monitoring Management Support Consultancies (MSC) and Immediate Action Packages for (currently)</p>

	<ul style="list-style-type: none"> • Social Sector: a study of the social protection system in Lebanon, a functional study of the Ministry of Social Affairs and NSSF, and an assistance programme for the Ministry of Social Affairs and related agencies. • Institutional Strengthening of the Ministry of Labour and National Employment Office (MSC). • Institution Building of a Telecommunications Regulatory Authority (MSC for the Ministry of Telecommunications). • Policy making and Regulatory Capacity Building for the Transport Sector (MSC for Ministry of Public Works and Transport) • Options for Transport Sector Reform (IAP for the Ministry of MPW&T) • Capacity Building for Certification of Lebanese Flag Seafarers and Ships (IAP for the Ministry of Public Works and Transport) • Establishment of a Trade Policy Unit (IAP for the Ministry of Economy and Trade) • Institutional Reform of the Ministry of Economy and Trade (MSC). • Reform of Consumer Protection (IAP for MoET) • Finance (MoF), (<i>tentative</i>) improving public expenditure management, VAT, customs information system, Institute of Finance, IT Department • Earmarking of a programme of assistance to Local Administrations
Start Date (actual)	30 September 1999
Project Duration	36 months
Planning milestones reached	13-10-99: submission of Pre-Inception Report 19-12-99: Submission first version of Inception Report 19-01-00 and 20-01-00: dispatch of comments EC and OMSAR resp. 07-02-00: start second version of Inception Report (2 months) 12-04-00: Submission second version of Inception Report 09-05-00 and 22-05-00: dispatch of comments OMSAR 05-06-00: dispatch of comments EC Delegation 13-07-00: dispatch of Guidelines for Workplan 2000-01 from OMSAR 19-09-00: submission of draft Workplan July 2000- June 2001 to OMSAR/EC 19-09-00: submission of Administrative Reform Strategy Paper 29-11-00 and 01-12-00 : EC and OMSAR comments on Work Plan 2000-01 22-12-00: re-issuance of PMC Work Plan 2000-01 and Inception Report
Status programme in OMSAR	<ul style="list-style-type: none"> • Programming & Monitoring ARLA: ongoing • Administr. Modernisation & Reform activities: ongoing • Training Strategy/development: ongoing, but lack of LT Training Exp. • Information/Communication Technology: not started, no LT IT expert • Procurement & Contract Administration: ongoing
Status programme For Core Admin. Agencies	<ul style="list-style-type: none"> • Programme CSB, Court of Audit, Central Inspection, RGA: ongoing • Programme in DGPCM: not yet started • Programme in Institute of Public Administration: under preparation • Programme in Central Administration of Statistics: ongoing
Status MSCs end December 2000	<ul style="list-style-type: none"> • ToR Ministry of Public Works and Transport: with PMC for revision; • ToR MoET: with PMC for revision after discussions with MoET; • ToR Ministry of Telecoms: awaiting formal approval; PIN published; • ToR Ministry of Labour: with PMC for revision.
Status IAPs end December 2000	<ul style="list-style-type: none"> • ToR MoPW&T 'Seafarers & Ships': Contract award appr. by EC; • ToR MoPW&T Options for Transport Sector Reform: with PMC; • ToR MoET TPU: with PMC for revision on discussions with MoET; • ToR MoET Reform of Consumer Protection: tender dossier submitted

Budget	<p>EU grant: € 38 Million, of which for the PMC € 5,980 Million and for external Monitoring and Evaluation Missions € 0.3 Million.</p> <p>Contribution Govt. of Lebanon: € 4.200 Million</p> <p>Expected from other donors: € 3 Million</p>
Expenditure upto end Dec. 2000	<p>PMC: € 1.275 million TA after 15 months (21% of budget after 42% of period)</p> <p>MSCs / IAPs: no expenditure incurred as yet.</p> <p>Total: 3% of ARLA funds expended</p>

Executive Summary

The Programme Monitoring Consultancy was established on 30 September 1999 as the first project mobilised under the EU funded programme "Assistance to the Rehabilitation of the Lebanese Administration" (ARLA), of the Government of Lebanon. It has the following objectives as per the ToR A.1 page 3:

Consistent with the GoL administrative reform strategy and within the framework of the EU Project, the setting up of the PMC aims at strengthening those OMSAR functions, which are dedicated to the implementation of NARP and the preparation of required technical input for the definition of administrative reform and modernisation measures.

Thus, the PMC team will be involved in the achievement together with OMSAR's units, of the following main objectives:

- (a) design and implement appropriate programme management methods, tools and procedures;*
- (b) ensure a timely, effective and efficient management of the Project implementation, and of the NARP as a whole;*
- (c) ensure a proper monitoring of sector projects implementation especially through MSC's reporting and coordination;*
- (d) Develop a pragmatic approach of the modernisation of the public administration, especially regarding (1) the accessibility of services to the public and (2) the decentralisation and deconcentration processes;*
- (e) Ensure the viability and overall coherence of the programme in (i) bridging the gap between the short medium-term rehabilitation process and medium long-term administrative reform, and (ii) tightening coordination with fiscal reform carried out by the MoF.*

The scope of the PMC project was subsequently defined in the ToR as follows:

- (a) upon request from OMSAR, the PMC will provide necessary support to its technical units in leading and co-ordinating the implementation of the NARP and in preparing the required technical input for the definition and implementation of administrative modernisation measures;*
- (b) preparing the ground for implementation of the proposed assistance to beneficiary sector institutions by (i) fine-tuning and updating those institutions' requirements, (ii) preparing ToRs and other technical input for the recruitment of technical assistance for the institutions concerned and (iii) ensuring local coordination of the various tenders.*
- (c) assisting in the modernisation of the Civil Service Board administrative, financial and operational management*
- (d) assisting the Central Administration of Statistics in improving the effectiveness of its activities and enhancing its institutional role*
- (e) organising and managing training sessions and seminars, including specific actions to be carried out in coordination with the CSB and NIAD*
- (f) Assuring overall management, coordination, monitoring, evaluation and reporting of the Project in compliance with OMSAR and EC procedures and monitoring set-up.*

To this end, within a time frame of 3 years, some 9 resident experts are to work with OMSAR and core agencies, and in addition some 119 man-months of international experts are to be invited on short term missions, and around 145 man-months of local expertise is to be employed.

Some four years after the original needs assessment, the first year of implementation of ARLA has seen a large measure of re-assessment and establishment of the approach to ARLA and its priorities. In consequence, an extensive first draft Inception Report was submitted in December 1999, after which upon comments received in 2000, several

reformulations of the Inception report took place, before a consensus could be established and a sufficiently detailed plan agreed. One of the decisions was for example to deviate from the list of originally intended sectoral beneficiaries of the ARLA; another to increase the attention to administrative reform strategy and to expand the number of core administrative agencies to be advised by the PMC from 3 to 6.

The outline of a Work Programme for the period July 2000 – June 2001 could be established by mid July 2000 between all parties concerned, and its implementation started at the same time; the Work Plan for the period was formally submitted by mid September 2000, and after comments received early December, revised and re-submitted for final approval by the end of the same month.

Part and parcel of the planning of ARLA was also the drafting of a Strategy Paper for Administrative Reform, for adoption by the new Government installed by October 2000 and implementation by the new year. This paper was submitted to OMSAR by mid October 2000, and was translated into Arabic and summarised by OMSAR, then submitted to the Minister by the end of December 2000. Of note in this paper are particularly the juxtaposition of a number of alternative options for the creation of the necessary central reform machinery in the country, and the specification of a set of decisions on substance and process that need to be taken to initiate a comprehensive programme of administrative reform.

The long period of establishment of approach, strategy and work plans was the result of the complexities of any administrative reform process, the long period in between preparation of the ARLA in 1996 and the mobilisation of the PMC at end 1999, the need for consensus between all parties, and the absorptive capacity of a small but overextended agency such as the OMSAR. The relatively long-drawn mobilisation of the resident PMC team was perhaps also a consequence of this state of affairs. Over the years 1999 and 2000, only 3 to 5 of the scheduled 9 long term international experts were on board of the Project at any particular time. To be more precise, in the year 1999, some 19.4 man-months of expertise were used, and in the year 2000 87: around 40 for long term staff, 17 for short term international staff, and 30 for local staff. This means that around 21% of the staffing resources have been utilised after 42% of the contract period has passed. The Project will most likely need to request for an extension of its duration beyond the contracted completion date of 30 September 2002. This is also given the requirement that the MSC projects to be mobilised under ARLA will need to be completed within the time frame of the Financing Agreement. This ends by December 2002. Given the long gestation period for these MSCs and the scheduled 2-3 year duration of each of these, this will not be possible and it is therefore advised that the Financing Agreement for ARLA will be extended by a period of 2 years.

In addition to the large effort that went into arriving at a detailed programme for ARLA and the PMC, a number of substantive activities were completed over the period reviewed, and others have been put on the rails. If we start here with the programme in the core administrative agencies, it has to be mentioned first of all that the decision to increase the number of beneficiary agencies from originally 3 to eventually 6, is based on the view that reform of the public administration as a whole must in large part emanate from its core agencies. This means that next to the Civil Service Board, the National Institute of Public Administration (NIAD/IPA), and the Central Administration of Statistics (CAS), also the Central Inspection, the Court of Audit and the Directorate General of the Presidency of the Council of Ministers (DGPCM) have been added to the programme. By end December 2000, for four of these six, operational plans had been formulated and were ready for implementation starting January 2001. Only for the DGPCM and the NIAD/IPA, a slower pace had to be adopted.

For the institutional reform programmes intended for the Financing Agreement's macro-sectors of Central Administration, Public Utilities and Service Networks, and the Local Administration, some 1240 man-months of contracted out foreign expertise is available through ARLA, plus additional financial resources for Training, Studies and Services, Equipment, and Operational Expenses. The year 2000 saw the preparation of the project documents and tender dossiers for four Ministries, and one agency: the Ministry of Economy and Trade, the Ministry of Telecommunications, the Ministry of Public Works and Transport, the Ministry of Labour and the National Employment Office. A small project into Capacity Building for the Certification of Lebanese Seafarers and Ships could be tendered over the period; a recommendation for contract award was given by the end of 2000 and the project will start in January 2001. In the other cases, the various Management Support Consultancies (MSCs), and the preceding Immediate Action Packages (IAPs), are in various stages of approval by the Lebanese Government and the European Commission. Procurement of the MSCs is expected to involve a substantial period in the year 2001 as well. It is clear that the start of institutional development oriented projects is no easy affair and that long gestation periods are involved.

At the current stage, some € 14 million has been earmarked for the programmes mentioned. This means that around € 17 m of the € 31 million (excl. PMC) in ARLA is not yet committed through Terms of References written for projects. These constitute around € 11.5 million which is available for Technical Assistance, € 1.5 million for Studies and Services, € 2.5 million for Equipment, € 1.1 million for Operational expenses, and € 1 million for Contingencies. Given that the Financing Agreement has earmarked some 520 man months (or some € 8.8 million), for the sector of local government and administration, and has also tentatively directed a sizeable part of the equipment grant to local administration, the remaining budget will have to be divided amongst first of all the identified programmes in the Social Sector and the Ministry of Finance. Only if funds are then as yet uncommitted, an assessment of the needs in other sectors can take place.

Activities in OMSAR, and with OMSAR in other areas and institutions, have also started over the year – mainly in the second half. Predominantly related to the PMC's tasks in the area of establishment and monitoring of the sectoral programmes were activities in the preparation of a comprehensive Monitoring and Evaluation System (and related computerised database), the assistance to the preparation of a draft Protocol Agreement between the Government of Lebanon and the European Commission, and the establishment of a Procedural Manual. Substantive activities in the area of general administrative reform and modernisation included the start of a programme of deregulation and simplification of procedures in some five areas, a programme in performance improvement planning in four institutions in Lebanon, a training needs assessment in 6 institutions, the design of an inter-ministries training programme that will run in the next year, and some minor activities in IT.

A summary of the ARLA budget committed and earmarked, and the budget not yet earmarked, is available in Annex 1. A PMC expenditure statement is added as Annex 2. The utilisation of staff resources in the year 2000 is compiled in 3 tables in Annex 3. A full list of document outputs produced in draft and final form is included in this Annual Report as Annex 4. A subdivision is made into technical documents, and administrative document outputs, the latter meaning Inception Reports, Work Plans, and Progress Reports. A schedule of activities planned and conducted with justification for the deviations incurred is attached as Annex 5. Lastly, an extensive summary of the for ARLA pivotal Strategy Paper on Administrative Reform is attached as Annex 6.

Introduction

The Terms of Reference for the Programme Monitoring Consultancy in the Office of the Minister of State for Administrative Reform state the following regarding the submission of a PMC Annual Report:

“At the end of each calendar year, the PMC shall prepare an “Annual Progress Report” summarising the activities performed during the elapsed year, and detailing its work plan for the following year.
The Annual Progress Report shall also consolidate major issues raised by the MSCs in their respective annual reports. This report shall be submitted in 20 (twenty) copies.” (ToR, A.1 page 20)

This report is the result of that instruction. A few comments are in order.

First of all, the work plan for the following year is the subject of the PMC Work Plan as submitted for approval on 22 December 2000¹. For this reason, only limited attention will be paid to this work plan in this annual report.

Secondly, discussions with the EC Delegation and the OMSAR regarding the Annual Report have concluded with an instruction to (1) keep it short and (2) to integrate in the report a summary of the Inception Report of the PMC and brief references to activities / outputs completed over the year.

Thirdly, this report is to be seen as public information and has been set up with this in mind. It is therefore more explanatory and less detailed and specialised than the PMC Quarterly Reports.²

This document will start by summarising in four sections the main findings of the Inception Report submitted in terms of the background of the ARLA Programme, the Consultants' approach to the programme through the PMC, the areas of ARLA assistance, and the expected outcomes as well as the conditions that need to be met if the programme is to have success.

Then, in section 5, the Annual Work Plan for the period July 2000 – June 2001 will be summarised. The main section in this annual report is a review of the achievements made over the year 2000. After this, a section follows that summarised the progress with procurement for MSCs and IAPs over the year. The core text of the Annual Report is concluded by a review in section 8 of the first visit to the project by the Monitoring and Evaluation Mission, and some observations in section 9 regarding the ARLA Protocol Agreement.

Given that there are as yet no MSCs mobilized, this report addresses only the objectives of the MSCs as currently defined.

¹ The PMC Work Plan runs on a different cycle from what was originally intended. The PMC Work Plan applies to the period July 2000 – June 2001.

² For the inception period of the project, from October to December 1999, no Annual Report has been prepared. It is deemed understood and agreed that the PMC Quarterly Report, which covers the same period, can serve the additional purpose of constituting a makeshift Annual Report.

Section 1. Background to the ARLA Programme

As elaborated in the PMC's Inception Report, in 1995, the Lebanese Government formulated the National Administrative Rehabilitation Programme (NARP). The programme was intended to ensure the revitalization of the civil service and the modernization of administrative and civil services structures and procedures. These had been affected seriously by neglect subsequent to their establishment over 40 years ago and by damage as a result of the civil war. The Office of the Minister of State for Administrative Reform (OMSAR) was given the task to mobilise resources for implementing NARP and to assume the responsibility for its overall programming, budgeting and coordination.

Over the past five years, NARP has been supported by the World Bank, Arab Fund and the United Nations. In addition, the European Commission earmarked a large grant to the value of maximally € 38 million for the NARP, in order to implement a large programme of Assistance to the Rehabilitation of the Lebanese Administration (ARLA). The main goal of ARLA is to assist the OMSAR in turning the Lebanese public administration into an efficient one, responsive to citizens' needs within a framework of a dynamic economy and in partnership with the private sector and civil society.

As a first project within ARLA, a Programme Monitoring Consultancy (PMC) has started to operate since October 1999. It has a budget of € 5.98 million, which is to be spent on Technical Assistance for capacity building activities in OMSAR and a number of core administrative agencies. With this budget, the PMC is also to prepare for the other projects to be started under ARLA, aimed at providing support to sectoral line ministries and other public institutions regarding their basic management and planning functions, and to assist OMSAR in monitoring these subsequently. The project is to take three years, but may have to be extended in order to continue to monitor the sectoral projects until their completion.

Section 2. ARLA/PMC Approach to Administrative Reform

The main purpose of the ARLA Programme is to assist in breaking through the vicious circle of an ineffectively organised and poorly equipped public administration, which delivers services of limited quality, thus undermining credibility, citizen support and leverage of the Lebanese administration. To do so, the Programme is intended to contribute to substantial and visible improvements in the performance of the administration.

As observed in the Inception Report submitted for the project, this performance is currently constrained by: i) material and operational factors (such as skills, funds or systems); ii) lack of consistent and realistic mandates providing guidance to agencies; and iii) lack of capacity for formulating and implementing policies and strategies within specific sectors as well as lack of vision regarding the role of the state. In such a context, concentrating reform measures at only one level is not likely to deliver the anticipated results. Hence, assistance under the ARLA Programme is geared to address the following three inter-twined aspects:

Vision

According to the PMC, the natural starting point of any administrative reform programme is to set the broad framework within which an administration should operate. For Lebanon, this should translate into real change assisting the Government in attaining, among other things, transparency with regards to its role.

The Role of the Government

The project has resolved to assist the Government by providing various perspectives as regards the structure and role of the public administration as a regulator and facilitator, while leaving the delivery of most goods and services to the private sector. The Project will further endeavour to broaden the base for the Institutional Development Strategy developed earlier by the OMSAR/IDU. A strategic vision will be projected across the potential beneficiary institutions whose views, comments, suggestions and ideas are at the same time incorporated within this strategy, in order to develop a shared vision.

Core Administrative Agencies

The starting point for re-designing the overall Lebanese administrative architecture is intended to be to review the mandates and structures of the core administrative agencies and the formulation of recommendations for their re-organization and performance improvement. One important objective here is to put in place a central reform and administrative modernisation machinery within the Government of Lebanon. A decision taken over the year was to increase the number of core administrative agencies to be addressed by the PMC from 3 to 6: not only the Civil Service Board and NIAD/IPA, and the Central Administration of Statistics, but also the Central Inspection and its Research and Guidance Administration, the Court of Audit, and the Directorate General of the Presidency of the Council of Ministers.

Sectoral Programmes

Proposals regarding the configuration of assistance to a number of beneficiary line ministries and other public sector institutions, in the form of Management Support Consultancies (MSCs), will be determined according to the policy analysis and key decisions by the Government in the context of an overall strategy.

Local Administrations

Due to the political sensitivity of the topic and the fact that the status, resources and powers of regional and local governments remain unclear, work in this area as proposed in the Financing Agreement was postponed this year. This sector still needs more detailed analysis and appropriate mechanisms of intervention. However, without adequate decentralization in geographical and functional terms, public administration arrangements cannot be fully effective. For this purpose, it is proposed that an operational strategy will be set up and substantial technical assistance resources remain reserved for assistance to local administrations.

Focus

At the level of a specific organization, assistance will primarily focus on determining priority areas for institutional support, then move towards defining roles, mandates and (future) key tasks of the agency concerned. It has to be cautioned that this could lead to proposals for drastic rearrangement of mandates and organizational roles along with assistance for establishing the organizational requirements that follow from the newly proposed mandate.

Performance

In addressing these aspects, the Programme is inspired by the lessons learned from public administration efforts over the past 15 years in other countries. Mapping or transferring these “best practices” to the context of the Lebanese Administration shall be accomplished with utmost consideration for the specifics normally affecting the degree of localization possible in such cases. These factors can be cultural, social, economic, political and even technological.

Section 3. Areas of Assistance

In accordance with the Terms of Reference, the projects under ARLA will have a focus on institutional capacity building and management activities. The assistance will help organize and strengthen basic activities of these institutions and provide on-the-job training to existing staff. This would be accomplished through:

1. Improving the regulatory and procedural framework for public administration through the review of mandates and roles, exploration of alternative options and the simplification and streamlining of procedures, especially those related to the delivery of services to the public (citizens and businesses);
2. Developing the capacity of targeted institutions to better appraise sector issues and requirements, and subsequently to formulate, program, implement and monitor appropriate and cost-effective sector-policies, in line with the Government's overall recovery strategy and available resources;
3. Improving planning, regulatory, supervisory and monitoring functions of central bodies and selected ministries and institutions;
4. Developing capacities of targeted institutions in project identification, management and monitoring through advice on policy options and modalities, training, and systems development for data management, monitoring and reporting;
5. Reorganizing management functions of the various institutions concerned, through the design and implementation of appropriate management systems, training of existing staff while expanding and improving use of information technologies;
6. Fostering the decentralization process through policy and management support to targeted areas of local government in order to facilitate their re-vitalisation, increase responsiveness and relieve central agencies.

Composition of the Assistance and Selection of Institutions

As laid down by the Financing Agreement signed 4th August 1998 between the Government of Lebanon and the European Commission, the EU grant is to be utilised mainly for the deployment of Technical Assistance (73%), and furthermore for Equipment (10%), Studies and Services (6%), Training (5%), and Operational Expenses (3%). The Financing Agreement also lays down that the assistance is to be provided to the following four main categories of institutions (with indicative numbers of man-months (mm) of Technical Assistance that could be reviewed during implementation):

- (a) OMSAR and core administrative agencies (350 and 60 mm of TA respectively)
- (b) Central administration institutions (520 mm of TA)
- (c) Public utilities and service networks (200 mm of TA)
- (d) Local administration (520 mm of TA).

The selection of institutions proposed by the PMC and as approved by OMSAR in the year 2000 has been guided by principal and practical considerations. One foremost consideration is the PMC's conclusion that the Programme's success will be dependent on a larger than originally foreseen focus on core administrative agencies. Many aspects of public sector reform will have to emanate from such core agencies and therefore, special attention to such agencies is of the essence. An important practical consideration is that several years after the completion of the ARLA Terms of Reference, the composition of the assistance needs to be adjusted due to the fact that (a) original needs of several agencies have changed, (b) programmes of other donors than the EC have started public administration modernisation

activities in several sectors, and (c) the PMC and OMSAR's own assessment and analysis of needs expressed by beneficiary institutions (filtering process) in view of administrative reform principles. As mentioned before, this has for example meant that a programme for local administration has not yet been identified.

The result of the filtering process has led to a configuration of assistance for the first year of ARLA Work plan (July 2000 – June 2001) which is discussed in section 5 below. It has to be understood that this configuration is not final, and may be adjusted in the course of the year. An assistance programme for the remaining period of the ARLA Programme, which runs until end September 2002, has not yet been defined in detail. A general outline has been attempted for OMSAR and Core Administrative Agencies, while only a selection of the sectoral public institutions could be taken into account at this stage. The process-oriented approach taken by the Project means that the main reference for the actual activities, budgets, staff, and outputs of the PMC is regarded the consecutive annual work plans rather than the overall Work Plan in the Inception Report. The Inception Report is however intended to constitute the main reference for the overall aims and broader objectives of the ARLA Programme and the PMC Project.

Section 4. Expected Outcomes, and Conditions for Success

The expected outcomes of the overall ARLA Programme as formulated by the Inception Report are the following:

- Strengthened capacity within public institutions in terms of policy analysis and policy development capacity;
- Enhancement of public service management processes and capacities;
- Efficient structure of the central public sector, especially central government bodies;
- Streamlined and modernized administrative procedures;
- Improved client orientation and responsiveness;
- Improved financial and performance accountability;
- Enhanced use of Information Technologies.

The impact to which these outcomes contribute would be as follows:

- More economical use of resources by public institutions;
- Improved efficiency of the activities of public institutions;
- Greater effectiveness of the programmes of public institutions;
- Higher degree of accountability of public institutions;
- Greater responsiveness of public institutions to the needs of the general public;
- Greater involvement of local population and administration in public management;
- Greater involvement of private sector in public service delivery.

Essential Conditions for Success

In addition to the conditions usually required for efficient and effective TA work, there are four essential conditions that will affect the Programme's success. These are:

- i) *Consistent and active policy making on public sector reform*
Without an adequate political, institutional and operational framework, it will be very difficult to make any kind of substantial headway in administrative modernization and reform. The responsibility for the reform process should be clearly and unequivocally assigned between concerned policy makers and other stakeholders in the process.
- ii) *Effective donor coordination*
There is a clear need for better coordination of donor activities in administrative reform and modernization currently underway. This is necessary to establish a coherent framework endorsed by all the major players involved that would reduce redundancy and maximize allocation of scarce resources.
- iii) *Participation and Ownership*
In order to ensure smooth and effective implementation of the planned MSCs at the various institutions, full involvement and participation of the latter's management and staff are required. This should generate a sense of ownership and a commitment for project success.
- iv) *Timely decision making and effective processing by the EU*
In the current dynamic context within which the Consultants operate, the PMC/ OMSAR should be in a position to act immediately and purposefully to unexpected situations that

could carry various opportunities of effective contribution for the project's success. On the other hand, the EU should act promptly on requests for approvals and no objections presented by the PMC and OMSAR in order to maintain the momentum required for the success of the programme.

Section 5. PMC Work Plan July 2000 – June 2001

A Work Plan July 2000 – June 2001 for the PMC was prepared on the basis of guidelines issued by the Minister of State for Administrative Reform in July 2000. In principle, the proposed assistance of the Programme Monitoring Consultancy (PMC) falls under three different categories.

1. *PMC Services to/through OMSAR.* This constitutes assistance, both formulated and implemented by the PMC, to OMSAR or through OMSAR to various public institutions.
2. *PMC Assistance to Selected Core Administrative Agencies.* This is assistance that is formulated and implemented by the PMC in consultation with the core agencies.
3. *PMC Assistance to Selected Sectoral Public Institutions.* This assistance will be formulated by the PMC and OMSAR, but will be implemented by national and/or international contractors through so-called Management Support Consultancies (MSCs), sometimes preceded by Immediate Action Packages (IAPs), also contracted out. Once started, the role of the PMC and OMSAR will be confined to minor procurement tasks for the MSCs, coordination, and monitoring.

Each of the three types of assistance is discussed in more detail below, in as far as the activities are concerned that were supposed to start in the year 2000.

Assistance to / through OMSAR

ARLA Programme Management

Programming, Monitoring and Evaluation of ARLA

This service is considered the umbrella of other services provided by the PMC in managing the project and strengthening OMSAR's functions to improve its capacity in identifying, formulating, contracting, implementing, monitoring and evaluating projects in the context of ARLA. In addition to the general management of the PMC, a number of specific activities has been identified for the year 2000-01 which cover needs such as the design of a Monitoring and Evaluation System for the ARLA Programme, the design of a procedural manual for the implementation of the ARLA Programme, sectoral needs assessments and identification of projects, and coordination and consultation with International Donors.

Administrative Modernization and Reform

This component was to assist OMSAR in the year 2000 in developing a pragmatic approach to the reform and modernization of the Lebanese administration. This was proposed through five inter-related assistance packages: (1) Strategy Development for Public Administration Modernization, (2) Strengthening the Local Administration and its delivery of public services,

(3) Improvement of Bureaucratic Efficiency and Responsiveness, (4) Training Strategy/ Training Development and (5) Information and Communication Technology Strategy.

Strategy Development for Public Administration Modernization

This package has the objective to reach political consensus on outlines of the Public Administration Reform Strategy, re-invigorate a platform for high-level guidance and decision making on the latter and update and elaborate the OMSAR/IDU strategy. Planned for the year 2000 were the presentation of a Strategy Paper on the strategic goals and the approach for administrative reform in Lebanon, the start of the organization of an ARLA awareness campaign and the holding a regional seminar on public administration reform.

Strengthening Local Administration and its delivery of public services

The second package has the objective to establish consensus on and support for government roles and responsibilities, improve knowledge and understanding of a range of options for strengthening the local administrations and the trade-offs of the various options in the Lebanese context, and set up an operational strategy for the rehabilitation of the local administrations. The start of a seminar on local governance in the Mediterranean Region, to help in the identification and formulation of specific activities in this field of particular importance for ARLA, was planned in 2000 to complement this package.

Improvement of Bureaucratic Efficiency and Responsiveness

The third package is planned to design a general strategy and establish a number of highly visible efforts towards regulatory reform and procedural simplification, performance improvement planning, service-orientation and accountability in specific government agencies that directly interact with the general public. Various missions were planned to start in the year 2000.

Training Strategy/Training Development

The planned assistance has the objective to strengthen and consolidate the knowledge and skills of the OMSAR staff and selected public agencies in the area of institutional reform and to build up capacity in technical and instrumental areas related to their assigned duties. It further aims at the design of a national training strategy based on a training needs assessment as part of the overall administrative reform strategy in view of the new role of the civil servants. To support this, an Inter-Ministries training programme in the form of seminars on strategic planning and administrative reform issues for top-level officials was planned for the end of the year 2000, and also the start of a training needs assessment in a number of selected agencies.

Information and Communication Technology Strategy

OMSAR's ICT involvement covers the strategy, policy and operational levels. OMSAR has become the de-facto ICT coordination centre inciting ICT awareness among Government staff. In the year 2000, the objectives of this PMC service were to accelerate the development and implementation of ICT policies and to optimise OMSAR's ICT working procedures. This would further lead into an assessment of ICT needs of core agencies in the year 2001.

Procurement and Contract Management

The PMC Expert in this area is to focus, in collaboration with the OMSAR Procurement Unit, on the speedy and proper procurement of all services under ARLA which need to be procured

in accordance with the Financing Agreement, and with EC regulations. During the year 2000, for a number of MSCs procurement was to be started and for most IAPs formulated, procurement was to be completed.

Assistance to Core Administrative Agencies

This component covers the Civil Service Board (CSB), the Central Inspection (CI) and its Research and Guidance Administration, the Court of Audit (CoA) and the Directorate General for the Presidency of the Council of Ministers (DGPCM).

Assistance to the CSB, Central Inspection, Court of Audit, and DGPCM

The activities to be performed at these agencies, with assistance and guidance under the ARLA programme, have as objectives performance improvement through the modernization of mandates, mission and organizational functions. This was to be started in the year 2000 through the establishment of a task force at each agency for fact finding surveys, and the design of performance improvement and modernization plans.

Assistance to the Institute of Public Administration (IPA)

In light of the recent change in the status of the former NIAD to an autonomous agency, the package proposed for IPA in the year 2000 included the drafting of a policy framework for the institutional and organisational development of the Institute.

Assistance to the Central Administration of Statistics (CAS)

With a substantial contribution to Lebanon's administration and policy making, the CAS plays a crucial role in providing an essential tool for decision making at all levels of the administration. The aim here is to improve the visibility of CAS as the official body of Lebanese statistics through the adoption of a plan of integrated activities for CAS, to strengthen its capacity in producing reliable statistics and to expand the areas covered by CAS's operations. In the second half of the year 2000, a start was to be made with the institutional development of CAS and the establishment of a system for national accounts statistics.

Assistance to Sector Institutions

This assistance is to be formulated by the PMC and OMSAR, and implemented by national and/or international contractors through so-called Management Support Consultancies (MSCs), sometimes preceded by Immediate Action Packages (IAPs) in case the mobilisation of the MSCs takes a long time and there are urgent and specific needs. The MSCs would be implemented within the period of validity of the Financing Agreement i.e. before the year 2002. Once started, the role of the PMC and OMSAR would be confined to minor procurement tasks for the MSCs and further monitoring these.

Assistance to the Ministry of Social Affairs

Several activities were scheduled in the year 2000 for the Ministry of Social Affairs. These included functional studies of the Ministry and related agencies for the appraisal of the current social protection system in Lebanon (social welfare, social insurance etc.) and the formulation of a set of proposals for substantial changes and functional and procedural improvements of the existing situation and the subsequent restructuring of the Ministry.

Assistance to the Ministry of Labour

The activities scheduled for the Ministry of Labour in the year 2000 entailed the preparation for an MSC to deal with the institutional strengthening and the organizational restructuring of the Ministry, including a functional study at the Ministry as part of the above mission.

Assistance to the Ministry of Economy and Trade

Three activities were scheduled for the MoET in the year 2000. They all deal with the development of Terms of Reference for one MSC and two IAPs. The first activity deals with the institutional reform of the Ministry supporting the rehabilitation of the various areas of its responsibility. The first IAP deals with the establishment of a Trade Policy Unit that is a high priority on the Ministry's agenda. The second IAP has the objective to improve the level of consumer protection and raise public awareness on such issues.

Assistance to the Ministry of Transport

Since its establishment in 1993, the Ministry of Transport has yet to implement its mandated mission. The first activity at the MoT is the formulation of ToRs for two IAPs, one dealing with the Capacity building for Certification of Lebanese Flag Seafarers and Ships, and the second dealing with options for transport sector reform in Lebanon. The second activity involves the formulation of a ToR in the year 2000 for an MSC of which the objective is to strengthen the policy making and regulatory capacity of the Ministry in transport policy planning, law making and sector management / regulation.

Assistance to the Ministry of Telecommunications

With the intention to make Telecommunications a model for other sectors to follow (power, water, transport), the assistance for this Ministry involves the formulation of a ToR in the year 2000 for an MSC that aims at establishing a Telecommunications Regulatory Authority that will be independent and sustainable.

Assistance to the Ministry of Finance

Consultations with the Ministry of Finance planned in the year 2000 were expected to lead to the formulation of a package of assistance dealing with various fields of its responsibility, e.g. public expenditure management, VAT, customs administrative system, IT, and the Finance Institute.

Section 6. Achievements of the PMC in the Year 2000

This section lists the achievements and progress made by the PMC and OMSAR over the year 2000, and follows the set up in three main PMC components: (1) Assistance to / through OMSAR, (2) Assistance to Core Agencies, and (3) Assistance to Sectoral Institutions.

Assistance to/through OMSAR

Inception Report

One of the major outputs of the PMC in the year 2000 was the completion of a comprehensive Inception Report laying down the approach of the PMC towards the whole of the ARLA Programme, as well as providing a Work Plan for the PMC project. This was the result of a highly consultative process in several stages in which, in close coordination with OMSAR and the EC, a large number of potential beneficiaries of the ARLA were involved. All together it took over a year to come to a final conclusion. A first draft of this Inception Report was already submitted by December 1999. Given that there was a request in January 2000 for a more detailed plan with respect to the approach and the beneficiary institutions, a second version was submitted by April 2000. Taking into account additional guidelines received from the EC and the Minister of State for Administrative Reform in July 2000, this version was then used to arrive at a Work Plan for the first year of implementation phase of ARLA. On the recommendation of a Monitoring and Evaluation Team commissioned by the EU that there was still a need for a commonly agreed reference document, further work on the report was done in November 2000. The comments of the EU and OMSAR in May and June were integrated. Upon meetings with the EU and OMSAR in the same period, the report was furthermore reduced in size in order to arrive at a more concise and official final version, sufficiently flexible to be able to adjust to possibly changing needs in the coming years. This 'last' version was submitted in December 2000 for final approval. It details the approach, the strategy, and provides an overall Work Plan that can however be superseded by the more detailed and up to date Annual Work Plans to be issued subsequently. It also covers complex budgetary issues, and contains an updated Executive Summary, and a set of log frames for both ARLA and PMC.

Work Plan July 2000 – June 2001

As mentioned, the PMC submitted its first Work Plan, for the first year of implementation, in September 2000. It applies to the year starting July 2000 and ending June 2001. The OMSAR and EC approved the Work Plan early December, on the condition that some comments would be integrated in the report. This was done, and by the end of December 2000, a final and updated version of the Work Plan was completed and submitted to OMSAR and EC. Given that parallel to the preparation of this Work Plan since July, certain other urgent activities started as per the Guidelines on the Work Programme received by 13 July 2000, a number of outputs can be reported to have been achieved or partially achieved already. Within the context of assistance to/through OMSAR since July 2000 they can be listed as follows:

Strategy Development for Public Administration Modernisation

The major output under this heading so far has been the submission in October 2000 of a comprehensive administrative reform strategy paper to the Government. The paper is dealing with the strategic goals of administrative reform in Lebanon and the role of the ARLA as well

as a central reform machinery in achieving these. It is called '*Five to Twelve. Heading for Administrative Reform in Lebanon*'.

A summary of the paper is contained in Annex 6.

An activity foreseen in the year 2001 is the organization of an ARLA Programme Awareness Campaign. This includes for instance the 2 page contribution on ARLA to a monthly OMSAR Newsletter, an awareness workshop, and an ARLA website (under the general OMSAR web site).

Lastly, a regional seminar on Public Administration Reform in Lebanon with participation from other Arab countries in the framework of the ARLA Project is planned to be held in June '01.

Strengthening Local Administration and its Public Service Delivery

Due to decisions taken by the Government, the activities under this heading include the preparation of a *Seminar on Local Governance in the Mediterranean Region* (planned to be held April '00). Local government officers from Lebanon and Middle East countries are to be invited. Local government officers from European and preferably Mediterranean municipalities are also included.

The identification of a contracted out programme of assistance to local administrations is also planned for the coming half year, if the new Government gives the green light for this.

Improving the Performance of Public Institutions

First missions by short term experts have taken place over the last months of the year 2000, in order to arrive at a framework for activities of the PMC in (a) debureaucratization and simplification of procedures in public sector institutions, and (b) performance improvement planning (PIP) for such institutions. First drafts of the frameworks were submitted to OMSAR for comments in December and October 2000 respectively. The debureaucratization and simplification of procedures activity focused in first instance on (1) the issuance of construction permits, (2) the filing of income tax declarations, (3) the payment of inheritance tax, (4) the tax payment on construction modification, and (5) the issuance of work permits to foreigners. At end December it was decided that the PIP process will focus on the National Employment Office, the Electricity Authority of Lebanon, the Beirut Water Authority, and the Real Estate Directorate of the Ministry of Finance.

Once the frameworks have been finalized in the months of January – February 2001 and have been approved by the OMSAR, they will lead to specific simplification exercises in selected institutions, and also to the conduct of PIP exercises in the selected institutions mentioned above.

Training Strategy / Training Development

Training needs assessment in selected public sector institutions. At the end of the year, 6 institutions were selected for a questionnaire survey: the Ministries of Agriculture, Public Health, Economy and Trade, Transport and Social Affairs; and the National Employment Office. Questionnaires were sent out to these institutions, and the survey is expected to be completed by mid February 2001. Staff at Grades 2 and 3 is focused upon. The training needs assessment will bring in view the needs which exist and lay a firm foundation for the formulation of the goals and targets for a sound training strategy in the context of the country's administrative modernisation programme. After its completion, the intention is to design the training strategy to be submitted to the Government. The design is to be conducted in close cooperation with CSB and IPA (the former NIAD).

Design and organization of an inter-ministries training programme in the form of workshops / seminars for top level officers on strategic planning and administrative reform issues

A Senior Training Expert completed a mission in December 2000 whereby a series of conference topics has been developed and their logistics identified. Some six are scheduled for the next year :

1. Trends in Administrative Reform
2. Ethics and Accountability and Control Systems in Public Administration
3. Performance Oriented Public Administration
4. Public Sector/Private Sector Partnerships
5. Regulatory Reform and De-regulation
6. Key Aspects of Human Resources Development

Implementation is starting February '01 onwards until December 2001.

Information and Communication Technology Standardisation

So far, short term experts have compiled a document on E-Government Internet sites and have submitted a technical specification for a web-based database on donor assisted projects in Lebanon (PROMIS – Projects Management Information System).

Some activities planned for the year had to be postponed pending the selection and arrival of a long term IT Operational Expert and a suitable short term IT Strategy Expert.

A local IT expert started the programming of an internal system for OMSAR in the area of project management, provisionally called. *Project Cycle Workflow Development*. This in-house software development project is currently at the stage of a first prototype.

Programming and Monitoring of ARLA

One of the main outputs of the PMC is the assistance to OMSAR in the management of the ARLA, and National Administrative Reform Programme as a whole.

This relates to the preparation of plans, progress reports, ToRs for experts and missions, selection of experts, internal coordination, meetings with client and funding agency, and procurement issues, but also includes such activities as (informal) coordination with donors in terms of public administration reform and modernisation assistance, the completion of a computerised Monitoring and Evaluation System (design and first phase of software development completed), the completion of a Procedural Manual for all MSCs and the PMC (scheduled for January 2001), procurement of all MSC and IAPs, as well as the management of a local project account for local expenditure in the framework of ARLA.

The PMC provided assistance to OMSAR in its drafting of a Protocol Agreement between the Government of Lebanon and the European Commission, regarding ARLA. The agreement was ready for signing by the end of December 2000.

A draft of a Procedural Manual was prepared initially in April 2000 and included as Annex B in the PMC Inception Report of April 2000. The intention was to elaborate communication, coordination and decision mechanisms between the various stakeholders in ARLA, as well as the forms and formats to be used for mission reports, ToRs, project documents/specifications, contracts and progress reports. These stakeholders are OMSAR, EC, CDR, PMC, MSCs, and the various beneficiary institutions of ARLA. In order to get agreement on a unified system of procedures for both PMC and MSCs and to complete the manual, an activity was added to the Work Plan July 2000 – June 2001. However, the Manual could not be completed during the year 2000. This was due in part to the departure of the Project Management Expert during mid November 2000. In addition, the comments of the EC on the draft Protocol Agreement submitted to it in July, were received late. At end December, a comprehensive outline of the

Manual was produced by a BMB Backstopper, and it was agreed by OMSAR that the manual would be finalized by a high powered Task Force between OMSAR and PMC..

OMSAR's continued request for the inclusion of a detailed computer database in the *Monitoring & Evaluation System for ARLA* led to the submission on 8 November 2000 of a Technical Specification for such a database, called MEDAT: Monitoring and Evaluation Database for ARLA. Given the envisaged development time needed (12-16 man months in two phases), it was recommended that the programming of the software would be handled by a company rather than by an individual. OMSAR decided that the local Systems Analyst was to work for around a month on the development of the database structures and a data entry module for the activities in ARLA. Afterwards, it would decide whether another expert would be contracted to finalise the job. By the end of December 2000, the module was produced and testing had begun. A decision on the next assignment of the Systems Analyst and on the possible recruitment of another local software development expert is to be made in January 2001.

In terms of *donor coordination on public administration reform*, a presentation on ARLA was held on 18 December 2000 by the PMC to Embassy staff including various ambassadors, within the EC Delegation. Representatives of the Embassies of Sweden, Netherlands (Ambassador), Spain (Charge' d'affaires), Italy, France, and Germany were present, and also the Agence Française de Developpement, the Consulate of Denmark, and the Austrian Commercial Office. An 8 page PMC information hand-out on ARLA was provided to the attendants.

Assistance to six Core Administrative Agencies

Performance Improvement and Modernization in core administrative agencies

- Civil Service Board (CSB)
- Central Inspection (CI) (including Research and Guidance Administration (RGA)
- Court of Audit (COA)
- Directorate General of the Presidency of the Council of Ministers (DGPCM)

The assistance to the core agencies under the ARLA-Programme, during the present first phase of the implementation period, was related to the restructuring of the organisation and performance improvement, including roles, mandates, functions, structures, human resources, information and communication technology.

The principal objective is to improve the efficiency and effectiveness of the central agencies through the optimisation of actions, procedures and quality of services.

So far, the following achievements have been made:

a) Establishment of Task Forces.

Task Forces have been established in each agency, and have conducted in-depth fact-finding surveys to analyse functions, reveal the performance of the agency, identify causes of administrative pathology, problems and blockages, set priorities and recommend feasible solutions.

b) Draft operational plans for restructuring of the organisation and performance improvement and modernization.

Based on the analysis of findings, draft operational performance improvement plans with specific proposals, priorities, and the most appropriate options were completed by December 2000. This was achieved for the Civil Service Board, the Central Inspection and its Research & Guidance Administration, and the Court of Audit. The DGPCM could not yet be involved in the programme but it is expected that a programme will be designed by early 2001. The implementation of the approved performance and modernization plans at the organizational level will be started immediately after their approval by the Heads of the relevant agencies, and is expected by January 2001.

Assistance to the Institute of Public Administration (IPA)

The Government has recently adopted a law for the establishment of an independent Institute of Public Administration (IPA). The organizational decree for this institute has not yet been issued. It is to be formulated by the new Board of Directors of the Institute.

The PMC has made the following proposals to the CSB/IPA.

The first step is the design of a policy framework for the institutional development of the IPA. The second step is to draft a paper for the organizational structure of the Institute of Public Administration (IPA) in order to assist the new Board of Directors of IPA to formulate and submit their proposals to the Council of Ministers on a draft decree for the organizational structure and operative tasks of the institution.

Assistance to Central Administration of Statistics (CAS)

Assistance to the Central Administration of Statistics has been focused more on institutional development and the strengthening of management capabilities of the CAS. Furthermore, the establishment of a system of economic statistics sufficient for national accounts compilation according to international standards is essential to gradually build the Lebanese official statistics.

A first short mission of the STE Institutional Development and the LTE National Accounts took place in November '00, and initial recommendations on a workplan for the assistance to CAS have been submitted to CAS.

Establishment and monitoring of sectoral programmes

Under the ARLA-Programme, the EU has designated over 30 million € for the implementation of specialised Management Support Consultancies in Ministries and agencies of the Government of Lebanon, which are to be tendered and contracted out. Due to the long procurement period foreseen for these MSCs (8 months on average), it has been decided to also formulate certain Immediate Action Packages (IAPs) of Technical Assistance, which as separate service contracts can be mobilised earlier than the MSCs.

So far, the PMC has completed the development of ToRs for MSCs in 4 Ministries : Public Works and Transport, Economy and Trade, Labour and Telecommunications. Also, ToRs for four Immediate Action Packages are completed at this stage: 2 for the Ministry of Public Works and Transport, and 2 for the Ministry of Economy and Trade. The MSCs and IAPs are at various stages of approval by OMSAR, EC and beneficiary organisations, and in some cases at the stage of procurement.

Sectoral Assistance to the Central Administration
Ministry of Labour
MSC – Institutional Strengthening of the MoL and National Employment Office
Ministry of Economy & Trade
MSC – Institutional Reform of the Ministry of Economy and Trade
IAP - Establishment of Trade Policy Unit
IAP - Reform of Consumer Protection
Social Sector
MSC or IAP(s) – yet to be determined upon completion of a study on social protection systems
Ministry of Finance
MSC or IAP(s) – to be determined (options: Customs administration, Institute of Finance, VAT, Public Expenditure Management, IT)
Sectoral Assistance to Public Utilities
Ministry of Public Works and Transport
MSC – Policy Making and Regulatory Capacity Building in the Transport Sector in Lebanon
IAP – Capacity building in the Certification of Lebanese Flag Seafarers and Ships
IAP – Options for Transport Sector Reform
Ministry of Telecommunications
MSC– Institution Building of a Telecoms Regulatory Authority
Sectoral Assistance to Local Administrations
MSC (s) – yet to be determined – in Ministry of Interior & Municipalities, and in Municipalities

In total, 14 million € has been earmarked for these on-going MSCs/IAPs in the year 2000. (Further details as to procurement are included in the next section (7) on procurement.)

Below, the MSCs and IAPs are summarized in terms of their main objectives.

Central Administration

MSC Ministry of Labour and National Employment Office

The Ministry of Labour has been selected as one of the sector institutions that will receive assistance from a Management Support Consultancy, with the aim to improve service delivery of core functions in MoL and NEO and to advise on and assist with the implementation of organisational and functional reform in light of the changing socio-economic situation in Lebanon. The MSC is intended to work closely with the MoL and NEO to improve service delivery in the issuing of work permits for foreigners, labour inspections, health and safety prevention measures, labour relations, and employment services. Technical assistance is foreseen to amend work procedures, train staff that deal directly with the public in public relations and client handling, train professional staff in computer use, develop software applications that will allow faster processing of documents, files, permits and to procure limited equipment.

The specific objectives are as follows:

- to strengthen institutional capacity in the Department of Manpower to streamline and speed-up the processing of work permit applications and in general provide a better service to the public;
- to strengthen institutional capacity in the Department of Labour and Industrial Relations to protect workers, improve occupational health and safety and prevent labour conflicts; and
- to strengthen institutional capacity in the National Employment Office to conduct labour market research, build up a depository of employment and labour market surveys and improve its public employment service function.

The Terms of Reference for the project is finalised and was ready for submission to the EC at the end of the year.

Ministry of Economy and Trade

In the Ministry of Economy and Trade, two immediate action packages are foreseen, and subsequently the implementation of an MSC dealing with the institutional reform of the Ministry.

IAP Consumer Protection

The overall objectives of this IAP are to assist MoET with designing the reorganisation of the consumer protection functions within the Ministry.

Its specific objectives are to provide the Ministry with:

- a detailed assessment of the organisational structure, staffing structure, performance and work of the consumer protection unit at present;
- an assessment of the legal frameworks for consumer protection, which are in need of updating and modernising. The assessment will need to include:
 - review and recommendations for amendment of decrees setting out the roles, tasks and prerogatives of the consumer protection function
 - review and recommendations on Decision 262 of 1 July 1961 regarding confiscations and the distribution of rewards to staff of the Ministry following discovery of violations;
- a functional analysis of the core functions to be undertaken in order to fulfil the roles of a modern consumer protection institution;
- an analysis of the options for reform and reorganisation of the consumer protection function:
 - a study on institutional and legislative options, including options for separation of some functions to a semi-autonomous agency, contracting-out or concessioning of services,
 - an analysis of options for financing the recurrent expenditure;
 - an assessment of the investment requirements in the consumer protection field in the light of GoL's existing international obligations, and its commitment to WTO accession and entering into an Association Agreement with the EU;
 - recommendations on the reorganisation of the consumer protection function. These recommendations will need to be presented in sufficient detail, and in a suitable format, for the MoET to make submissions for reform and reorganisation to relevant GoL authorities;

- assistance in preparing an implementation plan for the reform of consumer protection. The ToR for the IAP was finalised, but is in need of some minor modifications upon comments by the EC at end December.

IAP Trade Policy Unit

The overall objectives of this IAP are to provide MOET with:

- a detailed assessment of the MoET's requirements in trade policy matters, including recommendations on staff numbers, and job descriptions. This will enable the Ministry to proceed quickly with recruitment of staff to these key positions in order to prepare for the establishment of an effective Trade Policy Unit (TPU) within the ministry;
- a high level functional analysis of the roles to be undertaken in order to fulfil the core functions of a modern Ministry of Economy and Trade.

The specific objectives are therefore as follows:

- to undertake a detailed assessment of need for modernisation and upgrading of capacity in trade matters. The consultants are expected to:
 1. Provide a detailed analysis of the work load expected on trade policy matters, in order to identify the number and calibre of permanent positions required in the Ministry to deal with a range of multi-lateral and bilateral trade matters;
 2. Recommend improved institutional arrangements for the Trade Policy Unit within the Ministry (location, organisation structure, etc) in order to increase the Ministry's capacity to absorb and make effective and coherent use of external technical assistance;
 3. Recommend staff numbers and qualifications for a trade policy unit;
 4. Prepare job descriptions for staff in the trade policy unit, which are sufficiently flexible so as to recognise both immediate requirements (WTO Accession, and negotiation of the EU Association Agreements) and the longer term requirements for monitoring, compliance and reporting on trade matters;
 5. Assess training needs in trade policy;
 6. Assess the budgetary implications of recruitment;
 7. Assist MoET to make progress in the process of recruitment into the TPU.
- to undertake an analysis of core functions of the Ministry. The consultants are expected to:
 8. Review the overall staffing structure of the Ministry, comparing the theoretical complement - as set out in the relevant legislation – with the actual situation;
 9. Analyse the actual work undertaken by the Ministry, its quality, performance, and relevance;
- Conduct a functional analysis of the core functions of the Ministry. This analysis should critically review each function, and challenge its relevance for a modern ministry of economy;
- Make recommendations on the necessary reorganisation of the ministry, in sufficient detail for the MET to make submissions for reform and reorganisation to relevant GoL authorities, and undertake the necessary legislative and regulatory amendments.

The Terms of Reference for this project were requested to be reduced in scope by OMSAR by October 2000; the expert is scheduled for February 2001 to achieve this so that the IAP can be re-submitted for approval.

MSC - Institutional Reform of the Ministry of Economy and Trade

This MSC is a merger of two previous MSC proposals prepared by August – September 2000. The merger was requested by the EC in October 2000. The actual merging is scheduled to be completed by February 2001.

There will be, most likely, two components.

1. Capacity Building in Trade Policy

The Ministry of Economy & Trade is responsible for trade policy, but has limited capacity in this area. There is an urgent need to build institutional capacity so that the Government of Lebanon (GoL) can effectively participate in international trade negotiations and protocols, in particular the EU Association Agreement and WTO Accession. The overall objective of this MSC is to establish a new Trade Policy Unit (TPU) within MoET, which can support GoL in its international negotiations and analyse the impact of trade proposals on the Lebanese economy. The MSC will also enable MoET to make better use of technical assistance on specific trade issues, and will therefore complement and leverage other resources provided by the donor community. It is proposed to engage consultants to:

- Provide international and local technical assistance (long-term and short-term experts) to help the MoET to establish the TPU.
- Design and implement a training programme with a mixture of “on-the-job” training and coaching,, in-house and external training courses, and study tours to observe the function of Trade Units elsewhere.
- Assist in drafting necessary legislation, regulations and internal procedures to enable the TPU to be both effective and efficient.
- Design and implement an IT and information strategy and procure and install equipment and software.
- Ensure effective institutional and co-ordination arrangements for the TPU’s involvement in GOL’s policy making and negotiations on WTO and EU Association agreements, as well as other international and regional trade matters.

2. Institution Building in Competition and Consumer Protection

The objective of this component is to strengthen the capacity of the Government of Lebanon (GoL) to pursue effectively it’s economic development objectives in a globalising economy, through strengthening of its competition and consumer protection institutions.

The main sub-components are to help MoET to:

- complete the legal framework for competition and consumer protection institutions;
- implement the modernisation and reorganisation of the Consumer Protection Department of the Ministry of Economy and Trade;
- implement the institution strengthening of the competition function, including the establishment of a new independent competition regulatory authority;

implement a public information campaign on consumer protection and competition issues, and support the development of consumer protection organisations within Lebanon.

Social Sector

In the social sector, a functional analysis has been completed by a local expert as a ground work for the formulation of functional changes and structural improvements in the social protection system in Lebanon (social welfare, social assistance). In February 2001, a further mission on this subject is planned, and this may eventually lead to the formulation of an assistance package (MSC) in this sector.

Ministry of Finance

Consultations have been held across the year both at the time of the previous and the current Minister of Finance regarding an assistance package for the Ministry. By the end of the year, the main areas of assistance have been defined: (1) public expenditure management, (2) Information Technology Department, (3) Customs Administration, (4) Institute of Finance, and possibly (5) VAT Department. In the new year, Terms of Reference for project(s) will be developed for one or more of these areas, that will then be submitted to the EC for approval and for subsequent procurement.

Public Utilities

MSC Ministry of Telecommunications

The specific objectives of the ARLA programme of support for the Telecoms Regulatory Authority (TRA) have been defined as follows:

1. To assist GoL to establish the TRA as an independent institution;
2. To assist TRA to develop its annual planning process;
3. To assist TRA in recruiting sufficient, high quality staff;
4. To put into place robust and appropriate working methods, procedures, and systems for the TRA;
5. To train TRA staff in a) regulatory principles and b) methods and processes;
6. To help the TRA to establish and maintain its independence;
7. To communicate the role of the TRA to relevant stakeholders;
8. To link the TRA with relevant international and regional bodies.

The ToR for the project has been finalized over the year and is now awaiting approval.

Ministry of Public Works and Transport

IAP Capacity Building in the Certification of Lebanese Flag Seafarers and Ships

The global objective is to provide the Directorate General of Land and Maritime Transport (DGLMT) with a strategy and practical approach that will enable the government to comply with the international maritime agreements (IMO Conventions in particular) that the government has joined and ratified.

The specific objectives of the IAP are to:

1. Clarify the seriousness of the present situation with regard to 'Lebanese flag' ships and seafarers licensing / certification and their compliance with international standards;
2. Consider alternative options of arranging appropriate Ships and Seafarers Licensing such to comply to the IMO Conventions and ILO rules ratified by the Republic of Lebanon (e.g. 1- 'in house' or 2- contracting out some or most of the control functions to professional certification companies), and recommend the preferable option;
3. For the recommended option (ref. 2), specify the government / DGLMT obligations and tasks with respect to its control functions concerning the 'Lebanese flag' ships and seafarers (licensing / certification / inspection / monitoring / data management / advising on legislation, arbitration, etc.); and (re-)

structure these in an appropriate organizational framework (Organigram); and specify the precise staff/job qualifications needed to fulfill the specified obligations and tasks in accordance with the selected option (ref. 2); and indicate how to recover the costs of “contracting out” certain functions.

4. With regard to the sector of Lebanese seafarers, estimate the (re-)training needs (numbers and ranks) for IMO-Conventions compliance, and evaluate the basic training options;
5. Recommend a financing arrangement between the stakeholders that (together) are responsible for ‘certified seafarers’.

By the end of the year 2000, the tender evaluation had taken place and a recommendation for contract award had been sent to the EC. Mobilisation of the IAP is to take place in January 2001.

IAP Options for Transport Sector Reform

The global objective of this IAP is the rebuilding of human and structural capacities at the Ministry of Public Works & Transport to enhance its efficiency and ability to perform its critical functions.

The specific objectives are to clarify the government’s transport policy for the next decade, to identify an institutional structure and legal framework for the transport sector, to recommend priority policy measures and to mobilize the necessary political and public support for the Ministry of Public Works and Transport in implementing a future Lebanese National Transport Policy.

The ToR for this IAP was commented on several times by the EC and the OMSAR and could not be finalised by the year end. Given that there is a new Government, there is a need to resubmit the final version to the Ministry of Public Works and Transport for reconfirmation. When reconfirmation is obtained, the ToR can be submitted to the EC for final approval and the start of the procurement phase.

MSC Ministry of Public Works and Transport

The actual beneficiaries or recipients of the MSC formulated will be (1) the Directorate General Land and Maritime Transport (DGLMT) and (2) the Directorate of Air Transport (DAT) together with the Civil Aviation Authority (CAA), perhaps supplemented with one or two new Agencies that may be established at arms-length of the Ministry / DGLMT to assist in implementing its reformed statement of Missions and Functions.

The global objective of the large Management Support Consultancy currently formulated is to strengthen the institutional capacities of the Ministry of Public Works and Transport—notably the mentioned beneficiary Directorates/Agencies—so that their staff capabilities altogether optimally suit the required, specific policy-making and regulatory functions, in a sustainable way.

The specific objectives are currently:

- I. To implement the recommended institutional arrangement best suited for the regulatory reforms of the sector and for advocating the National Transport Policy, once adopted;
- II. To ensure inter-departmental and inter-agency co-ordination and co-operation needed to exert various policy-making and regulatory functions;
- III. To establish a long-term framework for transport sector planning, programming and budgeting in accordance with the strategic choices advocated in the transport policy;

- IV. To establish new transport legislation—laws, decrees and regulations—consistent with the transport policy formulation;
- V. To establish or consolidate computer-based management information systems to effectively perform the transport sector management functions;
- VI. To establish and maintain effective communications with all major stakeholders in the transport sector.

The project will empower the Ministry of Public Works and Transport and its public or private 'partners'—stakeholders in the transport sector—to commonly address integrated transport planning and management, while harmonising State (inter-city or inter-region)- and Local/Regional transport issues and responsibilities on a coherent legal basis.

These specific objectives are to be addressed in each of two Lots, each with its specific requirements, for (1) Land and Maritime transport and (2) Civil Aviation respectively, while ensuring overall integrity.

By the end of the year 2000, the PMC was requested to make some adjustments to the ToR, and to then submit it for re-approval by the Ministry of Public Works and Transport, then OMSAR and EC. It is expected that this can be achieved by end of January 2001, so that subsequently, the procurement stage can be started, and an MSC operationalised by the 3rd quarter of the year 2001.

Earmarking of funds for Sectoral Programmes

By the end of the year, of the around € 30 million available for projects (including the PMC) under ARLA, some € 16 million was yet to be committed through the formulation and approval of MSC Terms of Reference, mainly in the areas of the above mentioned Social Sector, the Ministry of Finance, and also for a programme in Local Administrations.

The overall picture on the ARLA budget is presented in Table 1: ARLA Budget Summary. This table also includes expenditures through the PMC from the local account foreseen at end December 2000, but to take place in 2001: a number of workshops and seminar, a number of public service delivery surveys and studies to be conducted by a local specialised company, and an ARLA Awareness Campaign, which would include also a newsletter and a website on ARLA.

Section 7. Procurement in 2000

During the year 2000 the following specific tasks and activities were carried out by the PMC in terms of procurement for the ARLA Programme:

Preparation

Procurement Procedures. In discussion with the EC, the procedures were established which were to be followed for procurement and contract management under the ARLA Programme. The procedures are based on the EC/SCR Manual of Instructions of November 1999 and the ARLA Financing Agreement with financial thresholds as stated in the FA.

Standard Procurement Documents. Standard MEDA bidding and contract documentation for Restricted Tendering (for MSCs valued at € 137,000 and above) were obtained and adapted as necessary to fit the requirements of the ARLA programme.

Framework Contracts. Framework Contracting model documents (for IAPs etc valued at less than € 137,000) were obtained and User's Guide from the EC and Europa website.

Procurement Manual. A Procurement Procedures Manual was prepared for the ARLA programme including "EU Practical Guide to Procurement", standard bidding documents based on EC models & templates and examples of tender dossiers, evaluation reports etc. Ten copies of this manual were distributed to the OMSAR/TCU Procurement Unit and Finance Section, and to the EU Project Coordinator.

EU Procurement Seminar. A seminar was conducted on EU Procurement regulations and procedures. The presentation consisted of background information on the EU, the EC and the MEDA Programme, an overview of general rules for all types of EC procurement and a detailed examination of specific procedures governing supply and service tenders and contracts. The seminar was attended by OMSAR Procurement Unit and Finance Section staff, and other members of the TCU.

Procurement Plans. Procurement Plans were prepared for IAP and MSC projects under the ARLA programme in MS Project 2000 and submitted for approval by OMSAR. The Procurement Plans provide an estimate of lead times necessary to complete the various stages of procurement for EU funded service contracts - i.e. Preparation of ToR, Publicity, Shortlisting, Tendering, Evaluation, Contracting, Implementation, Management of Payments etc. and are linked to the Task Sheets.

Task Sheets. Task Sheets were prepared describing actions required and allocating responsibilities for the execution of procurement of Management Support Consultancies (required Restricted Tendering) and Immediate Action Packages (recommended Framework Contracting) under the ARLA Programme.

Relocation of the Expert. The Procurement & Contract Management Expert moved to the OMSAR/TCU Procurement Unit in August 2000. This move was made to enable him to work more closely with the TCU procurement personnel and to make the on-the-job training in EC procedures more effective.

Implementation

Short Term Missions. The Procurement and Contract Management Expert worked with PMC Short Term Experts during their missions to prepare Terms of Reference for IAPs and MSCs and submitted these to OMSAR for approval. Several ToRs were redrafted and reformatted as necessary to fit changed methods of procurement and following comments and amendments made by beneficiaries, OMSAR and the EC.

Procurement. The Procurement and Contract Management Expert prepared tender dossiers and publicity as required in the course of the following programme implementation:

Progress of procurement of Management Support Consultancies (MSCs) and Immediate Action Packages (IAPs) for the various beneficiary Ministries during 2000.

MSCs (Restricted Tendering)

1. Ministry of Public Works & Transport (MoPWT):

MSC: "Policymaking & Regulatory Capacity Building in the Transport Sector in Lebanon"
(Budget value € 4.2 million)

Date	Output	From/By	To
28/07/00	Terms of Reference submitted for approval	PMC	EU Proj.Coord.
	Terms of Reference submitted for approval	EU Proj. Coord.	EC Delegation
17/08/00	Informal comments reviewing ToR	EC Delegation	EU Proj. Coord.
06/10/00	Formal request to revise ToR	EC Delegation	PMC
20/11/00	Revised ToR submitted	PMC	EU Proj. Coord.
20/12/00	EC's comments concerning revised ToR and requesting further reformulation of ToR	EC	EU Proj. Coord. & PMC

2. Ministry of Economy & Trade (MoET):

MSCs: "Capacity Building in Trade Policy" & "Institution Building in Competition & Consumer Protection". (Budget values € 1.5 million & € 1.88 million)

Date	Output	From/By	To
10/09/00	Draft Terms of Reference for "Capacity Building in Trade Policy" submitted to MoET for further input by Ministry staff.	PMC STE	MoET & cc. EU Proj.Coord.
25/09/00	Terms of Reference for "Institution Building in Competition & Consumer Protection" submitted for approval	PMC	EU Proj.Coord.
	Terms of Reference for "Institution Building in Competition & Consumer Protection" submitted for approval	EU Proj. Coord	EC Delegation
06/10/00	Request to merge the 2 ToRs into single project "Institutional Reform of MoET"	EC Delegation	PMC
20/12/00	Confirmation of requirement for single MSC	EC Delegation	EU Proj. Coord & PMC

3. Ministry of Telecommunication (MTel):

MSC: "Institution Building for Telecoms Regulatory Authority" (Budget value € 3.2 mn).

Date	Output	From/By	To
15/08/00	Draft Terms of Reference submitted for further input and revision by beneficiary	PMC STE	EU Consultant – K.Shehadi
12/10/00	Revised version of ToR returned to PMC STE	EC Consultant – K.Shehadi	PMC STE cc. EC and EU Proj. Coord.
	Terms of Reference endorsed by DG at MoT	MoT	EC Delegation

	EC Task Manager, Brussels "substantially approves" Terms of Reference	EC Commission	
28/11/00	Pre-information Notice published on the Internet	EC Commission	EC internet site
20/12/00	Request for formal submission of ToR	OMSAR & EC Delegation	PMC

4. Ministry of Labour (MoL):

MSC: "Institutional Strengthening of the Ministry of Labour & National Employment Office". (Budget value € 1.5 million)

Date	Output	From/By	To
22/09/00	Terms of Reference submitted for approval	PMC	EU Proj.Coord.
30/09/00	Terms of Reference submitted for approval	EU Proj. Coord.	EC Delegation
06/10/00	Receipt of ToR confirmed by EC Delegation	EC Delegation	PMC
13/11/00	EC Delegation confirms review of ToR being undertaken by Task Manager		
29/11/00	Comments on ToR from EC Delegation	EC Delegation	EU Proj Coord & PMC

IAPs (Framework Contracting, Locally Advertised "Simplified" Tenders or Negotiated Procedure)

1. Ministry of Public Works & Transport (MoT):

a). IAP: "Capacity Building in the Certification of Lebanese Flag Seafarers & Ships". (Budget value € 70,000)

Date	Output	From/By	To
28/07/00	Terms of Reference submitted for approval	PMC	EU Proj. Coord.
17/08/00	Informal comments reviewing ToR	EC Delegation	EU Pr. Coord.
06/10/00	Formal request to urgently revise ToR and proceed with procurement of IAP	EC Delegation	PMC
25/10/00	Revised ToR submitted for approval	PMC	EU Proj. Coord.
27/10/00	Revised ToR submitted for approval	OMSAR PU & EU Proj. Coord.	EC Delegation
14/11/00	Tender Dossier & list of selected tenderers submitted for approval	OMSAR PU & EU Proj. Coord.	EC Delegation
16/11/00	Approval of ToR, Tender Dossier & selected tenderers.	EC Delegation	EU Proj. Coord.
17/11/00	Tender launched	OMSAR PU	5 Selected Tenderers
13/12/00	Tender closure date; 3 bids received	OMSAR PU	
22/12/00	Tenders evaluated; contract award recommendation	OMSAR PU	EC Delegation
26/12/00	Contract award to Southampton Institute approved (€ 54,957)	EC Delegation	OMSAR

b). IAP: "Options for Transport Sector Reform". (Budget value € 137,000)

Date	Output	From/By	To
28/07/00	Terms of Reference submitted for approval	PMC	EU Proj. Coord.
17/08/00	Informal comments reviewing ToR	EC Delegation	EU Proj. Coord.
06/10/00	Formal request to revise ToR	EC Delegation	PMC
17/11/00	Revised ToR received	STE	PMC
11/12/00	Revised ToR submitted	PMC	EU Proj. Coord.
20/12/00	EC's comments on revised ToR and request for further reformulation of ToR. Framework Contracting approved.	EC	EU Proj. Coord & PMC

2.Ministry of Economy & Trade (MoET):

a). IAP "Preparation for the establishment of a Trade Policy Unit at MoET and assessment of the Ministry's core functions". (Budget € 137,000)

Date	Output	From/By	To
10/08/00	Terms of Reference submitted for approval	PMC	EU Proj. Coord.
18/08/00	Informal comments reviewing ToR	EC Delegation	EU Proj. Coord.
06/10/00	Formal request to proceed with procurement	EC Delegation	PMC
	Reduction in scope of ToR proposed by OMSAR	OMSAR	

b). IAP: "Reform of Consumer Protection". (Budget value € 137,000)

Date	Output	From/By	To
10/08/00	Terms of Reference submitted for approval	PMC	EU Proj. Coord.
18/08/00	Informal comments reviewing ToR	EC Delegation	EU Proj. Coord.
06/10/00	Formal request to proceed with procurement	EC Delegation	PMC
14/11/00	Tender Dossier and Press Advertisement submitted to EC Delegation for approval	OMSAR PU & EU Proj. Coord.	EC Delegation
20/12/00	Approval of Tender dossier in principle. ToR to be clarified and budget figure revised	EC Delegation	EU Proj. Coord. & PMC

Section 8. Financial Progress

Budget expenditure

The details are reflected in Annex 2. It has the following tables on budgets and balances.

- Table 1 shows the Remuneration of Staff from Sep 1999 until December 2000
- Table 2 shows the Direct Costs from September 1999 until December 2000.
- Table 3 shows the refundable Expenses from September 1999 until December 2000.
- Table 4 shows the Provisional Consolidated Expenditures from September 1999 until December 2000.

In conclusion, it can be stated that during the period September 1999 – December 2000, the expenses incurred on fees and direct costs are estimated at € 1,237,177 of the € 5,780,000 available.

The refundable expenses for the same period of time amount to € 39,029 of the total of € 200,000 available.

The number of man months utilized during this period of time totalled 106.31 (21% of the total available to the project), consisting of 45.32 for LTE, 25.8 for STE, 1.1 for backstopping and 34 for LE.

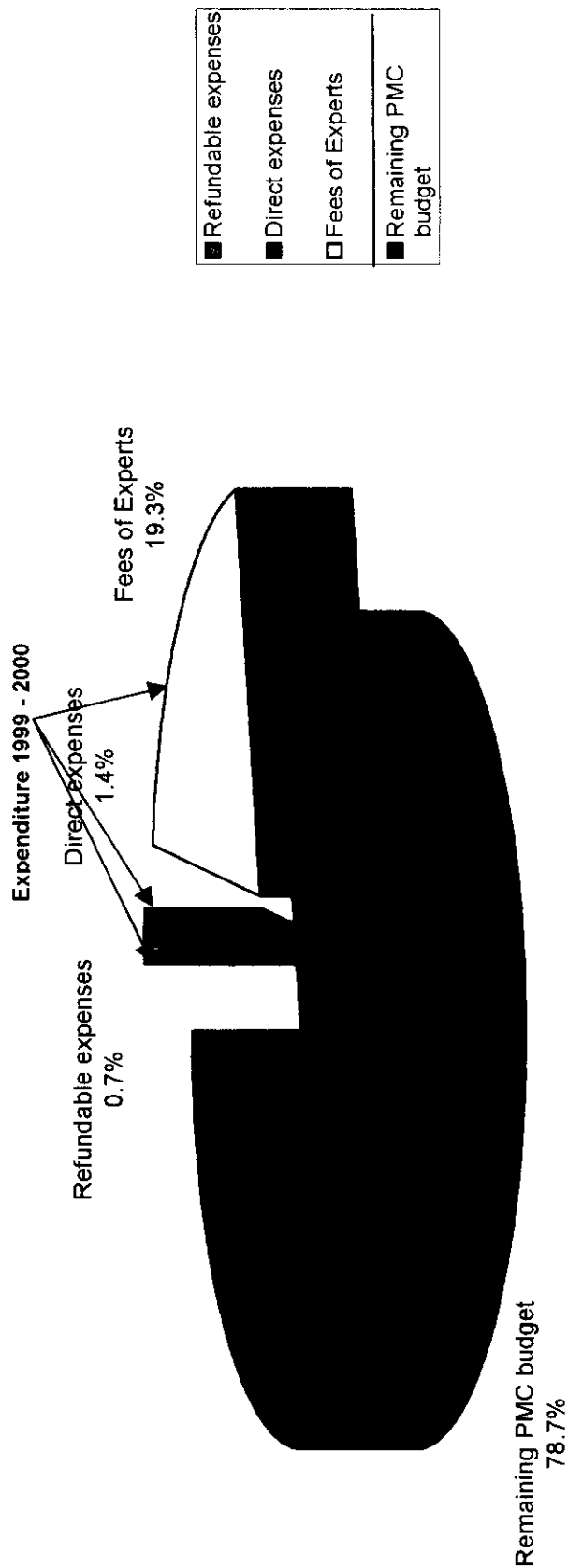
This means that of the 359 mm available for international expertise, around 72 have been utilized since the beginning of the project. In all, around 21% of the PMC funds have been expended after 42% of the period.

Invoices submitted

To date, the only withdrawals from project funds have been in connection with the contract for the operation of the PMC by the Consortium. A summary of the submission of invoices and the receipts so far is provided in Annex 2, table 5.

One commitment of ARLA funds took place during the period. A recommendation for contract award was made with respect to the IAP "Capacity Building in Certification of Lebanese Seafarers and Ships", to a value € 54,957.

Graph - Overall PMC Budget and expenditure September 1999 - December 2000



Section 9. Visit of the Monitoring and Evaluation Mission

In October of the year, the first visit was made to the ARLA-PMC by the independent Monitoring and Evaluation Team of the Greek company EPU-NTUA. This company has won a contract for the monitoring and evaluation of ARLA on behalf of the EU, to a value of around € 0.3 million. The Monitors are planning to visit ARLA each quarter. On their first visit, almost all institutions in the ARLA programme were visited (OMSAR and beneficiaries), and all members of the PMC were interviewed. On 25th October 2000, the Mission's first report was sent to the EC, copy to the PMC.

The report summary marked 3 C's and 3 Ds for the performance of the PMC. Progressing according to Plan (C) were considered the appropriateness of the work plan, the ability to achieve objectives, and the potential sustainability. A need for action (D) was seen in the areas of status of implementation of activities, and the achievement of outputs to date. The D provided with respect to the comments on the contractors' last report is regarded by the PMC as not requiring action at this stage since there were no previous comments by the M&E Team. If by comments is intended also comments by EC or OMSAR, then the marking is indicative of the fact that no comments were given by EC or OMSAR to any of first 3 Quarterly Reports (and neither the 4th).

One of the main findings of the report was that there was a need for a commonly agreed reference document setting out the strategy, work plan, time schedule, milestones and expected outputs for the whole duration of the ARLA Programme "(usually in EC funded projects this is the IR)". Also, it was stressed that there was a need for the speedy approval of the Work Plan submitted by the PMC in September 2000, the signing of a Protocol Agreement, and the finalisation of a Procedural Manual.

A set of recommendations was provided to the Contractor, the OMSAR, the EC Delegation in Beirut, and the Task Manager Brussels. As indicated in the Monitoring Report, the comments and suggestions presented in the report should be seen by all actors as a constructive contribution of the monitors to the success of the ARLA/PMC, not as a criticism of the involved actors.

By the end of December 2000, the PMC could get agreement on the Inception Report and the Work Plan July 2000 – June 2001, but not on the latter two (the Procedural Manual and the Protocol Agreement).

Section 10. Protocol Agreement

The Protocol Agreement between the Government of Lebanon (OMSAR and CDR) and the European Commission has been an issue during the entire year. The assistance of the PMC in its finalisation was requested since March of the year, and various drafts and amendments have been proposed by it. A first draft of the Protocol Agreement had been submitted by the OMSAR to the EC by 8 August 2000. Comments were received from the EU as part of the letter of approval of the PMC Work Plan July 2000 – June 2001 by 29 November 2000. These had not yet been integrated by OMSAR by the end December 2000. It is expected to be signed by early next year. The Protocol Agreement is to detail the modalities of implementation of the ARLA Programme.

Although the PMC has been involved in the preparation of the draft, it has some comments on the version submitted by the OMSAR to the EC for approval. First, the PMC sees the document as one covering the relationship between its signatories the EU, the OMSAR and the CDR. As such it does not imply a direct agreement between any of these parties with any of the Consultants implementing the projects under ARLA, be it PMC, IAPs or MSCs. The relationship between the Consultants and the Contracting Authority is governed by the individual contracts between the two parties, and further memoranda of understanding signed between the two parties.

Secondly, the current draft text lays down that annual work plans including budgets, and annual reports will be submitted to the Steering Committee for review and to the EC for approval. The contract of the PMC, in its Terms of Reference on page A.1 page 20, prescribes the approval by the EC of the Inception Report and the Annual Work Plan; for the Annual Report the only requirement is that it is submitted in 20 copies. From the formulation in the Protocol Agreement it can be derived that the OMSAR wishes to submit an Annual Report on the basis of a draft received by the PMC and will obtain the approval for it from the EC.

Regarding the contents of the Annual Report, the PMC advises that the document has a different set up from the Quarterly Report, which is more detailed. The Annual Report's primary function should be a wider distribution to interested parties, and is therefore more geared to public relations.

From Article 10 in the text, it is understood that the template containing a standard letter of understanding related to the approval of experts is presently not applicable to the PMC. The PMC contract already contains a Letter of Understanding as to the approval and mobilization of experts. It is available as Annex H to the contract. The matter of the approval of mobilization and replacement of experts is between the contracting authority and the Consultant and is therefore a matter that needs to be addressed in the Procedural Manual.

Annex 1. ARLA Budget Summary as at end December 2000

Annex 1. ARLA Budget Summary, by Components, projects, and budget category										Euro's in Millions	
(provisional - pending OMSAR and EC approvals provided to the various ToRs submitted; updated after issuance of Corrigendum 9/1/01)											
Sectors/ Projects	Partner Institution	Status	Categories	Components	Budget	Workplan July 2000 - June 2001	Balance carried forward	Spent so far	Balance unspent		
OMSAR/ Core Agencies					Total	2,933	3,807	1,200	5,440		
PMC - Programme Monitoring Consultancy	OMSAR	under implementation	TA	Total	5.980	2.173	3.807	1.200	4.780		
			TA	TA for OMSAR	Not spec.	1.402					
			TA	TA for Core agencies	Not spec.	0.519					
			TA	TA for establ. MSCs	Not spec.	0.252					
Contribution on ARLA to OMSAR newsletter		local account	SS	Studies & Services	0.025	0.025			0.025		
ARLA-OMSAR Web site		local account	SS	Studies & Services	0.050	0.050			0.050		
Public Services Delivery Studies & Surveys		local account	SS	Studies & Services	0.135	0.135			0.135		
ARLA Awareness Workshop		local account	TR	Training	0.045	0.045			0.045		
Awareness Materials (misc.)		local account	TR	Training	0.005	0.005			0.005		
Regional Seminar on Public Admin Reform		local account	TR	Training	0.090	0.090			0.090		
Training of Officers / study tours		local account	TR	Training	0.025	0.025			0.025		
Procurement Training		local account	TR	Training	0.050	0.050			0.050		
Seminar on local governance		local account	TR	Training	0.052	0.052			0.052		
Interministries training programme		local account	TR	Training	0.035	0.035			0.035		
E.Government Workshop		local account	TR	Training	0.070	0.070			0.070		
ICT Workshop		local account	TR	Training	0.078	0.078			0.078		
Central Administration					Total	0.274	5.355	0.000	5,629		
IAP Establishment of a Trade Policy Unit	MoET	under preparation	TA	Technical Assistance	0.137	0.137	0.000		0.137		
IAP Reform of Consumer Protection	MoET	under approval	TA	Technical Assistance	0.137	0.137	0.000		0.137		
MSC Institutional Reform of the Ministry of Economy and Trade	MoET	under approval	TA/SS/TR/E	Total	3.855	0.000	3.855		3.855		
			TA	TA Cons. Prot	1.730		1.730				
			TA	TA Trade Policy	1.100		1.100				
			SS	Studies & Services CP	0.250		0.250				
			TR	Training Cons. Prot.	0.175		0.175				
			TR	Training Trade Policy	0.300		0.300				
			EQ*	Equipment Cons. Pr.	0.200		0.200				
			EQ*	Equipment Trade P.	0.100		0.100				
MSC Institutional Strengthening of the Ministry of Labour and National Employment Office	Ministry of Labour	under approval	TA/SS/TR/E	Total	1.500	0.000	1.500		1.500		
			TA	Technical Assist.	0.985		0.985		0.985		
			SS	Studies & Services	0.140		0.140		0.140		
			TR	Training	0.150		0.150		0.150		
			EQ*	Equipment	0.200		0.200		0.200		
			OP	Operations	0.025		0.025		0.025		
MSC Ministry of Social Affairs	MoSA	td			td						
MSC Ministry of Finance	MoF	td			td						
Public Utilities & Service Networks					Total	0.191	7.496	0.000	7,687		
IAP Capacity Building in the Certification of Lebanese Flag Seafarers and Ships	MPW&Tr	Tender launched	TA	Technical Assistance	0.055	0.054	0.001		0.055		
IAP Options for Transport Sector Reform	MPW&Tr	under preparation	TA	Technical Assistance	0.137	0.137	0.000		0.137		

Annex 1. ARLA Budget Summary, by Components, projects, and budget category										Euro's in Millions	
(provisional - pending OMSAR and EC approvals provided to the various ToRs submitted; updated after issuance of Corrigendum 9/1/01)											
Category/Project	Partner Institution	Status	Categories	Components	Budget	Workplan July 2000 - June 2001	Balance Carried Forward	Spent FY	Balance FY		
MSC Policy Making and Regulatory Capacity Building for the Transport Sector in Lebanon	MPW&Tr	under approval	TA/SS/TR/EQ	Total	4.195	0.000	4.195		4.195		
			TA	Technical Assistance	3.392		3.392				
			SS	Studies & Services	0.237		0.237				
			TR	Training	0.257		0.257				
			EQ*	Equipment	0.309		0.309				
MSC Institution Building of a Telecoms Regulatory Authority	Ministry of Telecoms	under preparation	TA/TR/Eq	Total	3.300	0.000	3.300		3.300		
			TA	Technical Assistance	2.550		2.550				
			TR	Training / Study Tours	0.250		0.250				
			EQ*	Equipment	0.500		0.500				
IAP Telecoms Regulatory Study Tour	Ministry of Telecoms	identified	TR	Training	tbd						
Local Administration**					8.840	0.000	8.840	0.000	8.840		
No MSCs or IAPs identified as yet					8.840	0.000	8.840	0.000	8.840		
Indep. Monit. & Eval. Missions					0.300	0.300	0.000	0.060	0.240		
Earmarked / committed					29.096	3.598	25.498	1.260	27.836		
To be determined (incl. MoF, MoSA)					8.904	0.000	8.904	0.000	8.904		
Technical Assistance Studies and Services Training Equipment Operations Contingencies			TA	Technical Assistance	2.707	0.000	2.707	0.000	2.707		
			SS	Studies and Services	1.513	0.000	1.513	0.000	1.513		
			TR	Training	0.088	0.000	0.088	0.000	0.088		
			EQ	Equipment	2.406	0.000	2.406	0.000	2.406		
			OP	Operations	1.135	0.000	1.135	0.000	1.135		
			CO	Contingencies	1.055	0.000	1.055	0.000	1.055		
Total ARLA					38.000	3.598	34.402	1.260	36.740		
Technical Assistance Studies and Services Training Equipment Operations Monitoring and Evaluation Contingencies			TA	Technical Assistance	27.750	2.638	25.112	1.200	26.550		
			SS	Studies and Services	2.350	0.210	2.140	0.000	2.350		
			TR	Training	1.670	0.450	1.220	0.000	1.670		
			EQ	Equipment	3.715	0.000	3.715	0.000	3.715		
			OP	Operations	1.160	0.000	1.160	0.000	1.160		
			ME	M&E Missions	0.300	0.300	0.000	0.060	0.240		
					1.055		1.055		1.055		

* As per invoices submitted, updated with estimates upto end December '00 (and including expenditures from previous Work Plans)

Note: Procurement of Equipment within MSC projects will be handled by OMSAR Procurement Unit on the basis of specifications provided by MSCs

** Some \$20 mm of TA is earmarked for Local Administration as per the Financing Agreement, or around Euro 8.84 M.

* As per invoices submitted, updated with estimates upto end December '00 (and including expenditures from previous Work Plans)

Note: Procurement of Equipment within MSC projects will be handled by OMSAR Procurement Unit on the basis of specifications provided by MSCs

** Some 520 mn of TA is earmarked for Local Administration as per the Financing Agreement, or around Euro 8.84 M.

Annex 2. PMC Expenditure statements at end December 2000

Annex 2. PMC Expenditure statement at end December 2000 *

Table 1. PMC Remuneration of Staff in 1999 and 2000 ; balance available

Experts	Year 1999		Year 2000		Total Used		Total Available		Balance	
	MM	EURO	MM	EURO	MM	EURO	MM	EURO	MM	EURO
Long Term Experts	5.70	74,100	39.62	515,021	45.32	589,121	240.00	3,120,000	194.68	2,530,879
Short Term Experts	9.70	140,670	17.20	249,437	26.90	390,107	119.00	1,725,500	92.10	1,335,393
Local Experts	4.02	23,130	30.07	153,253	34.09	176,383	145.00	739,500	110.91	563,117
Total	19.42	237,900	86.89	917,711	106.31	1,155,611	504.00	5,585,000	397.69	4,429,389

MM = man months; months in italics are indicative

Table 2. PMC Direct Costs in 1999 and 2000; balance available

	Year 1999		Year 2000		Total Used		Total Available		Balance	
	MM	EURO	MM	EURO	MM	EURO	MM	EURO	MM	EURO
Local transport	3.00	10,000	12.00	40,000	15.00	50,000	36.00	120,000	21.00	70,000
Publication expenses	3.00	6,250	12.00	25,000	15.00	31,250	36.00	75,000	21.00	43,750
Total	6.00	16,250	24.00	65,000	30.00	81,250	72.00	195,000	42.00	113,750

Note: invoiced on the basis of monthly unit rates

Table 3. PMC Refundable Expenses in 1999 and 2000 balance available

	Year 1999	Year 2000	Total Used	Total Available	Balance
Air Fares	5,906	24,604	30,510	150,000	119,490
Unaccompanied Luggage	5,643	2,876	8,519	50,000	41,481
Total	11,549	27,480	39,029	200,000	160,971

Table 4. PMC Total Expenses in the Years 1999 and 2000; balance available

	Year 1999	Year 2000	Total Used	Total Available	Balance
Remuneration of Staff	237,900	917,711	1,155,611	5,585,000	4,429,389
% of avail.			20.7%		79.3%
Direct Cost	16,250	65,000	81,250	195,000	113,750
% of avail.			41.7%		58.3%
Refundable Expenses	11,549	27,480	39,029	200,000	160,971
% of avail.			19.5%		80.5%
Total	265,699	1,010,191	1,275,890	5,980,000	4,704,110
% of avail.			21.3%		78.7%

* provisional figures, to be consolidated after settlement of invoices.

Figures represent amounts invoiced as approved by contracting authority OMSAR

Annex 2. PMC Expenditure Statements at end December 2000

Table 5. Submission of PMC invoices and their settlement

Invoice Number	Date of Submission	Date of Settlement by EC	Amount Invoiced	Amount Received	Difference	in %
OMS99Q4	20-January-2000	04-September-2000	199,274	197,482.09	-1,791.91	-0.90%
OMS00Q1	06-June-2000	22-September-2000	196,734	195,791.67	-942.33	-0.48%
OMS00R1	06-June-2000	22-September-2000	8,846	8,551.60	-294.40	-3.33%
OMS00Q2	15-July-2000	30-November-2000	139,058	139,058.42	0.42	0.00%
sub-total settled	4	4	543,912	540,883.78	-3,028.22	-0.56%
OMS00Q3*	03-November-2000	Not settled yet	176,803		-176,803.00	
Total	5 invoices	1 not settled	720,715	540,883.78	-179,831.22	

submitted by OMSAR to EC by 5 December, EC to Brussels 15 December 2000

Annex 3. Staffing Resource Utilisation Tables

Annex 3. PMC Staff Resource Utilisation Report

Table 1. Long term experts

The schedule of long term staff deployed from the start of the project until the end of Year 2000

Approval Reference	Long term expert positions	Name of Expert	Man Months					Start date of mission	End date of mission*
			Year 1999	Year 2000	Total Used	Available	Balance		
	Total available for 1999 - 2000		27	90	45.317	117	71.683		
C.V. in contract EU OMSAR 25/8/00	Team Leader	Willem Crevels Dimitrios Sfikas	2.630 0.000	2.033 5.467	4.663 5.467			30/09/1999 04/07/2000	15/03/2000 30/09/2002
			2.630	7.500	10.130	30.000	19.870		
C.V. in contract EU OMSAR 25/8/00	Sr Project Management Expert	Walter Pfluger Alain Jean	0.700 0.000	0.000 4.200	0.700 4.200			24/10/1999 16/07/2000	13/11/1999 20/11/2000
			0.700	4.200	4.900	30.000	25.100		
C.V. in contract	Sr Monitoring and Evaluation Expert	Walter Kolkma	2.370	10.551	12.921	30.000	17.079	14/10/1999	30/09/2002
contract	Sr Public Services Modernisation Expert	-	0.000	0.000	0.000	30.000	30.000		
EU/OMSAR 23/6/00	Sr Public Administration Expert (in place of the contractual position of Programming Expert)	Geert Tuinier	0.000	4.600	4.600	30.000	25.400	06/06/2000	30/09/2002
C.V. in contract	Sr Information Technology Expert	Jan Schiere	0.000	3.300	3.300	20.000	16.700	11/03/2000	25/06/2000
contract	Sr Training Expert	-	0.000	0.000	0.000	30.000	30.000		
C.V. in contract	Sr Procurement & Contract Mgt Expert	John Hiddleston	0.000	9.033	9.033	20.000	10.967	04/03/2000	03/03/2002
EU/OMSAR 24/10/00	Sr Statistics Expert	Idilio Freire	0.000	0.433	0.433	20.000	19.567	09/11/2000	30/09/2002
	Total from start		5.700	39.617	45.317	240.000	194.683		

* Tentative in accordance with end date PMC contract and actual depletion of man-months available.

Annex 3. PMC Staff Resource Utilisation Report

Table 2. Short term international experts

The schedule of STE deployed from the start of the project until the end of Year 2000

Approval Reference	Short term expert positions	Name of staff	September 99- December 2000		
			mm	Start date	End date
Total Available			119	1/10/1999	1/10/2002
OMSAR 23/11/1999	Public Sector Reform	Willem vd Toorn	1	3/10/1999 24/11/1999	14/10/1999 11/12/1999
OMSAR 16/12/1999 OMSAR 21/02/2000	Project Management	Hans Bonarius	0.9	27/11/1999 07/02/2000	14/12/1999 15/02/2000
OMSAR 29/10/1999	Procurement & Contract Mngt.	Erick Koenen	0.5	14/11/1999	28/11/1999
OMSAR 29/10/1999	Information Technology	Lian Catinis	1.1	8/11/1999	10/12/1999
OMSAR 22/02/2000 OMSAR 27/07/2000	Social Sector Policy	Ivo Gijssberts	1.333	19/03/2000 20/08/2000	7/4/2000 08/09/2000
OMSAR 25/02/2000	Training & Communication	Vitor Dionizio	0.9	6/03/2000	1/04/2000
OMSAR 10/03/2000	Education Sector Policy	Oebele Bruinsma	0.666	19/03/2000	7/04/2000
OMSAR 10/03/2000	Public Accounting and Fin.	Stavros Apergis	0.666	13/03/2000	1/04/2000
OMSAR 10/03/2000	Statistics Expert	Jose Pinheiro	0.666	13/03/2000	1/04/2000
OMSAR 18/05/2000 OMSAR 13/07/2000 OMSAR 04/10/2000	Public Administration	Martin De Graaf	0.801	17/03/2000 01/07/2000 10/10/2000	24/03/2000 05/07/2000 20/10/2000
OMSAR 10/11/1999 OMSAR 22/02/2000 OMSAR 06/06/2000 OMSAR 25/07/2000	Eco.&Trade/Telecoms	Terry Green	1.866	24/11/1999 21/03/2000 09/07/2000 04/08/2000 28/08/2000	11/12/1999 30/03/2000 14/07/2000 11/08/2000 10/09/2000
OMSAR 04/02/2000	Project Management	Dan Nicolau	2.1	7/02/2000	10/04/2000
CV in contract OMSAR 21/2/2000	Public Sector Reform	Jeroen Willems	3.47	2/10/1999 11/02/2000	14/12/1999 11/03/2000
OMSAR 21/2/2000	Public Service Modernisation	Geert Tuinier	1.866	11/02/2000	7/04/2000
OMSAR 22/02/2000	Programme Management	Luc Zwaenepoel	1.64	4/10/1999	17/12/1999
OMSAR 29/10/1999	Training & Communication	Mike Ellis	0.96	12/11/1999	10/12/1999
OMSAR 10/11/1999	Fiscal Reform	Hugh Lindsay	0.5	28/11/1999	12/12/1999
OMSAR 10/03/2000 OMSAR 06/06/2000 OMSAR 05/01/2001	Transport Expert	Klaus Broersma	1.40	13/03/2000 03/07/2000 25/10/2000	31/03/2000 22/07/2000 27/10/2000
OMSAR 25/10/2000	Statistics Expert	Sten Johansson	0.433	9/11/2000	21/11/2000
OMSAR 08/11/2000	Training Expert	John Butler	1	19/11/2000	18/12/2000
OMSAR 21/08/2000	Training Expert	Jess Price	1.133	6/11/2000	9/12/2000
OMSAR 16/11/2000	Deb/Sim.of procedures	Tulio Morganti	0.834	20/11/2000	14/12/2000
Subtotal STE			25.74		
OMSAR 18/05/2000	Backstopping mission	Jeroen Willems	0.3137	12/03/2000	13/04/2000
CV in contract OMSAR 13/07/2000	Backstopping mission	Georges Panagakos	0.0583	6/10/1999 04/07/2000	8/10/1999 06/07/2000
CV in contract CV in contract OMSAR 13/07/2000 OMSAR 16/12/2000	Backstopping mission	Hans Bonarius	0.3717	2/10/1999 02/04/2000 17/07/2000 17/12/2000	17/10/1999 14/04/2000 22/07/2000 23/12/2000
CV in contract OMSAR 23/11/1999 OMSAR 21/02/2000 OMSAR 27/09/2000	Backstopping mission	Pieter Van Stuijvenberg	0.4248	3/10/1999 5/12/1999 09/02/2000 8/10/2000	9/10/1999 17/12/1999 19/02/2000 19/10/2000
Subtotal Backstopping			1.168		
Total utilised			26.90		
Balance available until the end of the Project			92.10		

Annex 3. PMC Staff Resource Utilisation Report

Table 3. Local Experts

The schedule of local experts deployed from the start of the project until the end of Year 2000

Approval Reference	Local expert positions Total Available	Name of current staff	Sep 99- Dec 00		
			mm*	Start date	End date
			(145)		
C.V. in contract	Programme Management Expert	Nazih El Jor	14.496	30/09/1999	01/07/2001
OMSAR 30/06/2000	Administrative Modernisation Expert	Adnan Iskandar	4.633	01/07/2000	01/07/2001
OMSAR 30/06/2000	IT Expert	Walid Lawand	8.000	01/05/2000	01/05/2001
OMSAR 03/11/1999					
c.v. in contract	Management of Change	Raffi Samerdjian	0.990	03/11/1999	11/12/1999
OMSAR 08/03/2000	Statistics	Rabih Haber	0.733	13/03/2000	07/04/2000
OMSAR 21/03/2000	Education	Georges Youness	0.333	23/03/2000	01/04/2000
OMSAR 31/07/2000	Social Sector	Abbas Farhat	1.800	01/08/2000	24/09/2000
OMSAR 13/03/2000					
c.v. in contract	Public Finance Management	Hani Sbai	0.900	13/03/2000	10/04/2000
OMSAR 25/01/2000 & 13/07/2000	Translator	Nayla Youness	2.200	01/1/2000 1/5/2000	22/1/2000 31/5/2000
	Total utilised		34.085		
	Balance available until the end of the project		110.915		

* Equivalent to 51 MM TA at the rate of Short term international experts

Annex 4. List of document outputs, technical and administrative

Annex 5. List of technical document outputs PMC									
This list excludes Inception Reports, work plans and progress reports									
updated until end-January 2001									
Core Agencies	Sub-Sector	Technical Output	Date of Issuance	Main Author	For Ministry	Deviation from original plan	Reason for Deviation	Approval Status	Comments
1 OMSAR	ICT	E-Government Overview, Collection of Documents	Jun-00	Hamoud Mirvat, Jan Schiere	N.A.	Original plan not available at that time	Conducted at request of OMSAR	Approved	Technical outputs PMC\OMSAR\CI\TVE-Government Documents.doc
2 OMSAR	ICT	Technical Specifications (DRAFT) PROMIS	May-00	Jan Schiere	N.A.	Inception Report April 2000	Draft not implemented due to departure IT expert	Not approved; postponed	Technical outputs PMC\OMSAR\CI\T\Promis Specs.doc
3 OMSAR	Administrative Modernisation	Five to Twelve; Heading for Public Administration Reform in Lebanon	Oct-00	PMC	N.A.	Strategy Paper. No deviation; Arabic translation is added	N.A.	Approved by OMSAR	yet to be submitted to new Minister
4 OMSAR	Administrative Modernisation	A Framework for a Performance Improvement Strategy for Public Sector Agencies in Lebanon	Oct-00	Martin de Graaf	For STE Performance	Finalisation of report in February 2001	OMSAR wishes to separate simplification of procedures	draft informally submitted to OMSAR for comments	Technical outputs PMC\OMSAR\Admin Modernis\Strategy Paper final.doc
5 OMSAR	Progr/Mon. ARLA	Technical Specifications Mon. & Evaluation Database ARLA, (MEDAT) Phase 1	Nov-00	Walter Kolkma	N.A.	As per Workplan 2000-2001	N.A.	No formal approval but implement has started	1st week December 2000; data input module
6 OMSAR	Progr/Mon. ARLA	ARLA Procedural Manual for PMC and MSCs		Walter Kolkma, Nazih el-Jor	N.A.	As per Workplan 2000-2001	N.A.	not yet finalised	possibly delayed
7 OMSAR	Progr/Mon. ARLA	Monitoring System ARLA (update)		Walter Kolkma	N.A.	As per Workplan 2000-2001	N.A.	not yet finalised	possibly delayed
8 Core Agencies	CSB	Fact Finding Survey CSB	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	completed by Task Force	Technical outputs PMC\OMSAR\Monitoring system update.doc
9 Core Agencies	CSB	Proposals for Performance Improvement and Modernisation CSB	Dec-00	Geert Tuinier	N.A.	As per Workplan 2000-2001	N.A.	approved by Task Force	Technical outputs PMC\OMSAR\Agencies\Proposals PIM CSB.doc
10 Core Agencies	Court of Audit	Fact Finding Survey CoA	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	completed by Task Force	Technical outputs PMC\OMSAR\Agencies\COA(Fact Finding Report).doc
11 Core Agencies	Court of Audit	Proposals for Performance Improvement and Modernisation CoA	Dec-00	Geert Tuinier	N.A.	As per Workplan 2000-2001	N.A.	Approved by Court of Audit	Technical outputs PMC\OMSAR\Agencies\performance review CoA version00.doc
12 Core Agencies	Central Inspection	Fact Finding Survey CI	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	Completed by Task Force	Technical outputs PMC\OMSAR\Agencies\CI(Fact Finding) Report.doc
13 Core Agencies	Central Inspection	Proposals for Performance Improvement and Modernisation CI	Dec-00	Geert Tuinier	N.A.	As per Workplan 2000-2001	N.A.	approved by Central Inspection	Technical outputs PMC\OMSAR\Agencies\PIM Proposals CI.doc
14 Core Agencies	Research and Guidance Admin.	Fact Finding Survey RGA	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	completed by Task Force	Technical outputs PMC\OMSAR\Agencies\RGA(Fact Finding) Report.doc
15 Core Agencies	Research and Guidance Admin.	Proposals for Performance Improvement and Modernisation RGA	Dec-00	Geert Tuinier	N.A.	As per Workplan 2000-2001	N.A.	approved by Task Force	Technical outputs PMC\OMSAR\Agencies\Proposals for PIM RGA.doc
16 Core Agencies	IPA	Survey of the IPA	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	completed by Task Force	Technical outputs PMC\OMSAR\Agencies\survey IPA.doc
17 Core Agencies	IPA	Recommendations for the IPA	Dec-00	Task Force	N.A.	As per Workplan 2000-2001	N.A.	completed by Task Force	Technical outputs PMC\OMSAR\Agencies\IPA Proposals for development 19122000.doc
18 Core Agencies	CAS	1st Mission Report Central Administration of Statistics	Nov-00	Sten Johansson, I. Freire	For experts\CAS ToRs & mission report	As per Workplan 2000-2001	difficulty of finding candidates and organising joint mission	submitted to OMSAR	Technical outputs PMC\OMSAR\Agencies\CAS 1st mission Report .doc

Annex 5. List of technical document outputs PMC

This list excludes Inception Reports, work plans and progress reports

Updated until end-January 2001

Sl. No.	Comp.	Ministry	Document Title	Date of Submission	Main Author	ToR type	Deviation from Original Plan	Reason for Delay	Approval Status	Submitted to	Comments
19	OMSAR	Training	Inter-ministries Training Programme	Dec-00	Jess Price	For experts/ToR SIT Training For experts/ToR	As per Workplan 2000-2001	N.A.	finalised 8-12-00	submitted to OMSAR	Technical outputs PMO/OMSAR Training/Draft Mission Report Interministries training programme.doc
20	OMSAR	Training	Training Needs Assessment	Jan-01	John Butler	For experts/ToR SIT Training For experts/ToR	As per Workplan 2000-2001	N.A.	mid term report submitted to OMSAR end Dec. 2000	to be continued in Jan-Feb 2000	
21	OMSAR	Administrative Modernisation	Debureaucratization / Simplification of Procedures	Jan-01	Tullio Morganti	For experts/ToR Debureaucratization 2.doc For experts/ToR	originally under Perf. Impr. Programming for public insit.	regarded as very important by OMSAR	mid term report submitted to OMSAR end Dec. 2000	to be continued in Jan-Feb 2000	Technical outputs PMO/OMSAR Admin. Modernist/Final Report De-bureaucratization.doc
22	Central Admin.	Social Sector	ToR MSC Ministry of Labour Institutional strengthening of the Ministry of Labour and the National Employment Office	Sep-00	Ivo Gijssberts	For experts/ToR For STE MSC Labour.doc For experts/ToR	1 month late	summer holidays	ToR with OMSAR + EC Del. for approval 18/1/01	long delay	Technical outputs PMO/OMSAR - IAPs Central Administration/Labour/ToR MSC Labour (sent to OMSAR).doc
23	Central Admin.	Economy and Trade	ToR MSC Ministry of Economy and Trade: Capacity Building in Trade Policy	Sep-00	Terry Green	For experts/ToR For STE MoET.doc For experts/ToR	1 month late	availability of expert	EC approved merger with 24 17/1/01	delay	Technical outputs PMO/OMSAR - IAPs Central Administration/MoET/MSC Trade Policy (Draft ToR) v4a Sept 10.doc
24	Central Admin.	Economy and Trade	ToR MSC Ministry of Economy and Trade: Institution Building - Competition and Consumer Protection	Sep-00	Terry Green	For experts/ToR For STE MoET.doc For experts/ToR	1 month late	availability of expert	EC approved merger with 23 17/1/01	delay	Technical outputs PMO/OMSAR - IAPs Central Administration/MoET/MSC Competition & Consumer Protection (ToR) v5a 22 Sept.doc
25	Central Admin.	Economy and Trade	ToR IAP Ministry of Economy and Trade: Consumer Protection Policy	Sep-00	Terry Green	For experts/ToR For STE MoET.doc For experts/ToR	1 month late	availability of expert	ToR to OMSAR, EC for approval 30/1/01	delay	Technical outputs PMO/OMSAR - IAPs Central Administration/MoET/IAP Consumer Protection v4a.doc
26	Central Admin.	Economy and Trade	ToR IAP Ministry of Economy and Trade: Establishment of Trade Policy Unit	Sep-00	Terry Green	For experts/ToR For STE MoET.doc For experts/ToR	1 month late	availability of expert	ToR with MoET for comment 17/1/01	delay	Technical outputs PMO/OMSAR - IAPs Central Administration/MoET/IAP Trade Policy Unit v4a.doc
27	Public Utilities	Transport	ToR MSC Ministry of Transport, Policy Making and Regulatory Capacity Building for the Transport Sector in Lebanon	Oct-00	Klaus Broersma	For experts/ToR For STE MoET.doc For experts/ToR	As per workplan	N.A.	ToR to OMSAR + EC for approval 23/1/01	delay	Technical outputs PMO/OMSAR - IAPs Public Util & Service Networks/Transport/ToR MSC Transport Oct version.doc
28	Public Utilities	Transport	ToR IAP, Capacity Building for Certification of Lebanese Flag Seafarers and Ships	Oct-00	Klaus Broersma	For experts/ToR For STE MoET.doc For experts/ToR	As per workplan	N.A.	Contract implemented as from 15/1/01	on time	Technical outputs PMO/OMSAR - IAPs Public Util & Service Networks/Transport/ToR Seafarers (rev) 17 Nov.doc
29	Public Utilities	Transport	ToR IAP, Options for Transport Sector Reform	Oct-00	Klaus Broersma	For experts/ToR For STE MoET.doc For experts/ToR	As per workplan	comments by EU	ToR to OMSAR + EC for approval 19/1/01	delay	Technical outputs PMO/OMSAR - IAPs Public Util & Service Networks/Transport/IAP ToR Options for Trans Sect Reform 11 Jan.doc
30	Public Utilities	Telecoms	ToR MSC Telecoms: Institution Building of a Telecommunications Regulatory Authority	Sep-00	Terry Green	For experts/ToR For STE MoET.doc For experts/ToR	1 month late	summer holidays	ToR formally submitted to OMSAR 9/1/01	delay	Technical outputs PMO/OMSAR - IAPs Public Util & Service Networks/Telecoms/IAP ToR (Draft) v3-KS.doc

Annex 4. List of administrative documents PMC

This list excludes all technical report outputs of the PMC

No	Title of document output	Date of issuance	Deviation from original plan?	Reason for deviation	Status	Comments	Hyperlink to document
1	Pre - Inception Report PMC	13-Oct-99	Not planned	need for re-assessment of ToR	Verbal Approval on 14 October 1999	approval given in meeting 14 October 1999	\\...\\Inception Report\\1st Inception Report Dec. 1999\\Draft Inception Report PMC Dec 1999\\reincanation
2	PMC Monthly Report October 1999	05-Nov-99	-		submitted	No comments received	
3	PMC Monthly Report November 1999	10-Dec-99	-		submitted	No comments received	PMC Monthly Progress Reports\\1999-11 PMC Monthly report.doc
4	First Draft PMC Inception Report on ARLA	19-Dec-99	-		Superseded; New version asked after new Inception phase of 2 months	1-EC on 19 Jan. 2000, 2-OMSAR on 20 Jan. 2000 3-OMSAR (Advisory Committee) on 3 March 2000	\\...\\Inception Report\\1st Inception Report Dec. 1999\\Draft Inception Report PMC Dec 1999\\zipfile DIR.zip
5	PMC Quarterly Report 4th Quarter 1999	10-Jan-00	no; also serves as Annual Report 99		submitted	No comments received	Quarterly Progress Reports\\1999-Quarter 4\\1999 4th quarter report.doc
6	PMC Monthly Report January 2000	01-Feb-00	-		submitted	No comments received	PMC Monthly Progress Reports\\2000-1 PMC Monthly report.doc
7	PMC Monthly Report February 2000	08-Mar-00	-		submitted	No comments received	Only in Hard Copy
8	PMC Quarterly Progress Report (QR2) January - March 2000	31-May-00	1 month late	elaboration of different setup	submitted	No comments received	Quarterly Progress Reports\\2000-Quarter 1 (version 2)\\2nd draft QR 21.doc
9	Second Version PMC Inception Report on ARLA, April 2000	12-Apr-00	Not planned	Due to request for improvement of Draft of December 1999	Superseded; PMC asked to go ahead first with prep. Annual Work Plan	1- OMSAR (first set of comments) on 09 May 2000 2- OMSAR (second set of comments) 22 May 2000 3-EU Letter 5 June 2000	\\Inception Report\\2nd Inception Report April 2000\\2nd inception report main body.doc
10	PMC Monthly Report April 2000	16-May-00	-		submitted	No comments received	PMC Monthly Progress Reports\\2000-4 PMC Monthly report.doc
11	PMC Monthly Report May 2000	12-Jun-00	-		submitted	No comments received	PMC Monthly Progress Reports\\2000-5 PMC Monthly reporting.doc
12	PMC Quarterly Progress Report (QR3) April - June 2000	18-Sep-00	2 months late	summer leave experts	submitted	No comments received	Quarterly Progress Reports\\2000-Quarter 2\\standard cover monthly.doc
13	PMC Monthly Report July 2000	22-Sep-00	1 month late	summer leave experts	submitted	No comments received	PMC Monthly Progress Reports\\2000-7 PMC Monthly reporting.doc
14	PMC Monthly Report August 2000	20-Sep-00	-		submitted	No comments received	PMC Monthly Progress Reports\\2000-8 PMC Monthly reporting.doc \\WORK\\ARLAWC\\WORK\\ARLAWC\\June 2000 - July 2001\\Workplan version 14 Sept 2000\\Workplan in new Template. 14 Sept.doc
15	Draft PMC Work Plan July 2000 - June 2001	19-Sep-00	1 month late	Due to summer leave of experts	superseded	1. OMSAR Comments on 1 Dec. 2000 2. EU Letter 29 November 2000	

Annex 4. List of administrative documents PMC

This list excludes all technical report outputs of the PMC

No.	Title of document/output	Date of issuance	Deviation from original plan?	Reason for deviation	Status	Comments	Hyperlink to document
16	PMC Quarterly Report (QR4) July - September 2000	10-Oct-00	-		submitted	No comments received	Quarterly Progress Reports\2000-Quarter 3\Q3 2000 title page.doc
17	PMC Monthly Report October 2000	18-Dec-00	1 month late	lack of PM expert	submitted	No comments received	PMC Monthly Progress Reports\1999-10 PMC Monthly report.doc
18	PMC Monthly Report November 2000	17-Jan-01	1 month late	lack of PM expert	submitted	No comments received	PMC Monthly Progress Reports\1999-11 PMC Monthly report.doc
19	PMC Work Plan July 2000 - June 2001	22-Dec-01	late	late submission of EC/OMSAR comments	submitted; approved by EU	Comments OMSAR and EC integrated in report; report also updated to December position	..Work Plans\PMC Workplan June 2000 - July 2001\Latest Workplan 2000-01\PMC Workplan 2000-01.doc
20	PMC Inception Report on ARLA December 2000	22-Dec-00	Not planned	need for approved ARLA reference document	Submitted, waiting for comments	Comments by OMSAR and EC awaited	..Inception Report\3rd inception report, Dec. 2000\Final Inception Report, core text.doc

Annex 5. PMC Activities conducted in the Year 2000, compared with targets in Work Plan July 2000 - June 2001

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(1) PMC services to/through OMSAR

Acti #	Projects and Activities	Year 2000						Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1 j f m a m j j a s o n d	Q2 j f m a m j j a s o n d	Q3 j f m a m j j a s o n d	Q4 j f m a m j j a s o n d	Year 2001				
Pro										
PMC Overall Programming & Monitoring of ARLA										
1	Overall Programming & Monitoring of ARLA							Inception Report approved and PMC Annual workplan approved	Draft Inception Report submitted on 19 Dec. 1999; revised version submitted on 12 April 2000. Annual PMC Work Plan July 2000 - June 2001 submitted 19 Sept. 2000. After comments in December, revised/updated Work Plan submitted by 22 Dec. 2000, as well as a summarised and updated version of the April 2000 Inception Report.	Delay in finalisation of Inception Report due to comprehensive nature of comments EU and OMSAR; instruction 13 July 2000 to postpone submission of IR
2	progress reporting	c	c					Monthly and Quarterly Progress Reports	Quarterly Reports 1,2,3,and 4 submitted to OMSAR/EC. Monthly report October submitted to OMSAR in Dec. 2000. (QR5 submitted 23/1/01)	Monthly report Nov. not submitted within period due to departure Proj. Management Expert
3	expert mobilisation							selection of experts in time and guidance during their mission	LT Expert mobilisation - between 3-5 experts mobilised at any particular time (in total 45 mm); STE mobilisation in total 27 mm upto end Dec 2000), 34 mm of LE.	Long-drawn mobilisation of LTE due to (1) EC conditions posed over part of the year, (2) preparation periods of planning documents, and (3) difficulties in finding suitable experts
4	Backstopping by Head Office							Efficient backstopping: Support to project management; drafting of Inception Report, Work Plan, Strategy paper and Proc. Manual	11 backstopping missions conducted over the year (plus HQ support activities)	Part of the work of the backstoppers is technical and should be claimed as STE; not allowed under current rules
5	Design of the M&E system for ARLA							Draft available for discussion in Nov. '00	First draft of system prepared but formats not all finalised; MEDAT computer database specification finalised early Nov. 2000 and approved by OMSAR. Data entry system finalised by mid-December. Testing started.	no standard MEDA monitoring system available; MEDA procedural manual unavailable; MEDAT requires extensive programming time; absence PM expert led to delays
6	Implementation of the M&E system							First results to be expected in Dec. '00	Data entry module MEDAT is finalised, including unforeseen staff input sub-module requested by OMSAR in Nov. 2000	Overburdening of M&E expert with PM tasks, little time for data entry
7	Design procedural manual for impl. of the ARLA prog.							Draft manual available in Dec.00	Main work was done as Annex B of IR; finalisation has started during backstopping mission Dec. 2000, integration with M&E system doc. is planned.	Time consuming process, lack of PM expert; no comments EC on draft protocol agreement until December 2000

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(1) PMC services to/through OMSAR

Acti #	Projects and Activities	Year 2000												Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
8	Co-ordination with International Donors on PA reform													Meeting mechanism available, and listing of donors and programmes by Dec. '00	Meetings held with some donors over the year (WB, UNDP). Listing of donors and programmes could not be made so far; one presentation was made end Dec. '00 to EU Ambassadors	OMSAR has no mandate in this area; plan to recruit local expert for inventory of donors was rejected by OMSAR
9	Sectoral Needs Assessment & MSC Identification													no outputs planned until end Dec. 2000	After several meetings during Inception Phase regarding local administration sector, a meeting held in Dec. 2000 with Minister to start the process of needs assessment	New Government was installed in Oct. 2000 and led to need for new discussions and reconfirmations of need. It is still unclear how Local Administrations can be involved in ARLA
Projects Management Information System (PROMIS) (E 39,000)																
1	Design of PROMIS in OMSAR	0	0	0										Design completed (depending on mobilisation of IT expert(s))	IT operational expert could not be identified, in spite of some cv's being offered for review by OMSAR	Nature of expert is under discussion. Given OMSAR's lack of mandate to coordinate donor assisted PA reform (see above), this project may be delayed further
Administrative Modernisation and Reform Strategy Development for PA Modernisation																
1	Strategy Paper													Strategy Paper by end Oct'00	Paper submitted to OMSAR by mid-Oct. 2000; OMSAR to translate and provide Exec. Summary; Translation submitted to Minister by end Dec. 2000	OMSAR overburdened due to installation new Govt, lack of translation capacity
2	ARLA Awareness Campaign													was originally to start at end December 2000, later postponed until after 2000	Established budget for Awareness Campaign and incorporated it in overall ARLA budget for the first half of 2001	No local account with funds; OMSAR busy with other work shops. Lack of consensus on how to approach the issue
2a	OMSAR Newsletter- ARLA News													ARLA newsletter every quarter	No activities were conducted, due to OMSAR's announcement that ARLA news was to be integrated in the revived OMSAR Newsletter	OMSAR Newsletter not functional in 2000; planning is for early 2001
2b	Awareness workshop													workshop end November as per Work Plan version Sept. 2000	Activity is postponed to March 2001	Lack of funds in local account, overburdening OMSAR and lack of staff in PMC; new government needs to endorse participants
2c	ARLA-OMSAR web site													no outputs planned upto end Q4	no activities in workplan for 2000	
3	Regional Seminar on Public Administration Reform													None, given its recent postponement to March 2001 or later	Discussion with OMSAR regarding preparation. Query to EU on funding in absence of local account	Installation new Govt. delayed progress. Other seminars were planned by OMSAR. New Govt. to endorse participants; may take time. Local account not opened / credited in 2000.

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(1) PMC services to/through OMSAR

Acti #	Projects and Activities	Year 2000				Year 2001				Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation								
		Q1		Q2		Q3		Q4					Q1		Q2					
		j	f	m	a	m	j	a	s				o	n	d	j	f	m	a	m
Strengthening Local Administration																				
1	Seminar on Local Governance	0	0	0	0														Established budget and incorporated it in overall ARLA budget	Political gridlock on the issue of local governance. Instruction to postpone by OMSAR to 2001
2	Preparation of a strategy for rehab. Local Administration																		Request from EC as to inclusion of support for 'South Lebanon'. Discussion started with Minister	
Impr. of Bureaucratic Efficiency and Responsiveness																				
1	Strategy for regulatory reform / simplification of procedures																		Mission started by end Nov.2000; importance of subject has led to more attention in Work Plan	
2	Design of programme for dereg./simplification																		new activity designed in final Work Plan of Dec. 2000	
3	Implementation of programme for dereg. / simplification																		new activity designed in final Work Plan of Dec. 2000	
4	Framework for performance improvement plan for public agencies																		One mission held and first draft submitted informally to OMSAR	In OMSAR's view, this activity was to be postponed to mid-January 2001
5	Task Forces performance improvement plans																		no activities in workplan for 2000	
6	Impl. performance improv. plan in selected agencies																		no activities in workplan for 2000	
7	Public Service Delivery Surveys & Studies																		no activities in workplan for 2000	
Training strategy / training development																				
1	Training Needs Assessments																		training needs of selected agencies assessed in order to prepare for design of training strategy	STE mission planned for December '00 and January 2001
2	Design of a training strategy																		no output planned upto end Q4	no activities in workplan for 2000
3	Interministries training on PA issues																		Progr. design completed and adopted in late November'00	Design completed by mid December; start of programme in February 2001
4	Implementation of inter-minist training programme on PAR																		no output planned upto end Q4	no activities in workplan for 2000

In OMSAR's view, this activity was to be postponed to mid-January 2001

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(1) PMC services to/through OMSAR

Acti #	Projects and Activities	Year 2000												Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1 J f m a m J	Q2 J f m a m J	Q3 J f m a m J	Q4 J f m a m J											
Information/Communication Technology																
1	Study on needs ass. role & function of ICT in PAR														No suitable ICT candidates could be identified / approved over the year 2000	Difficulty mainly in the area of a suitable ICT Master Planning Expert
2	Dev. of strategy for using ICT to connect gvt & citizens													p p	no activities in workplan for 2000	
3	Dev. of an IT plan for ICT strat. in selected agencies													p p	no activities in workplan for 2000	
4	ARLA Project Cycle Workflow System Development													p p p p p p	Analysis phase of workflow system finalised, design of preliminary system completed, development of software in progress	Local Expert IT over burdened due to parallel work on MEDAT
Procurement and Contract administration																
1	Procurement and Contracting MSCs													p p p p o o o o p p p p	ToR, PINs & SPNs prepared for 4 MSCs and submitted to OMSAR/EC. PIN for Telecoms MSC published 28/11/00	EC requires that ToR and PIN are submitted simultaneously. PINs to be published following approval of ToR - this will delay procurement by 30 days
2	Procurement and Contracting IAPs													p p p p o o o o p p p p	ToR for 4 IAPs submitted to OMSAR/EC for approval. Min of Transport IAP Tender (Negotiated Proc.) launched 17/11. Min. of Econ & Trade IAP Tender Dossier (Simplif. Proc. with Local Publicity) submitted to OMSAR/EC for approval 14/11/2000	EC has delayed approval of Framework Contracting through SCRIE/2 which will be quickest method of procurement for contracts less than Euro 137,000.
3	Training of the OMSAR/TCU Procurement Staff													p p p p p p p p	OJT training continued. Workshop held in July 2000	
4	Procurement Training Workshops													p	Workshop held for Proc. Staff OMSAR in July 2000	
n = no progress (delayed) d = delayed (after end of planning of activity)																

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(2) PMC Services to core administrative agencies

Acti #	Projects and Activities	Year 2000				Year 2001			Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1 j f m	Q2 a m j	Q3 j a s	Q4 o n d	Q1 j f m	Q2 a m j	Q3 j a s			
Performance Improvement & modernisation											
Civil Service Board											
1	Formation of Task Force								TF operational October 00.	Fact finding survey completed. Meetings held on its results. Draft proposals discussed and completed.	
2	Design of Performance improv. and modern. plans								Perf. Improv. Plans avail. for discussion Dec. '00	Operational Plan approved by TF. Informal submission to OMSAR	
3	Impl. of Performance improv. and modern. Plans								No outputs planned during 2000		
Central Inspection											
1	Formation of Task Forces for Central Inspection and for Research and Guidance								TF operational Sept. 00.	Fact finding survey completed. Meetings held on its results. Draft proposals discussed and completed.	
2	Design of Performance improv. and modern. plans								Perf. Improv. Plans avail. for discussion Dec. '00	Draft plan PMC approved by TF CI & R&GA. Submission of Plan to OMSAR by 20 December 2000	
3	Impl. of Performance improv. and modern. Plans								No outputs planned during 2000		
Court of Audit											
1	Formation of Task Force								TF operational Sept. 00.	Fact finding survey completed. Meetings held on its results. Draft proposals discussed and completed.	
2	Design of Performance improv. and modern. plans								Perf. Improv. Plans avail. for discussion Dec. 00	Draft plan PMC approved by TF CoA. Submission of Plan to OMSAR by 19 December 2000	
3	Impl. of Performance improv. and modern. Plans								no output planned for 2000	no activities in workplan for 2000	
DGPCM											
1	Formation of Task Force								TF operational October 00.	Task Force issue postponed until after the installation of new Government	Pending formal response DGPCM to ARLA assistance
2	Design of Performance improv. and modern. plans								Perf. Improv. Plans avail. for discussion Dec. '00	OMSAR has sent letter (no copy to PMC)	

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001

(2) PMC Services to core administrative agencies

Acti #	Projects and Activities	Year 2000				Year 2001				Outputs planned upto end 2000	Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1 J f m	Q2 a m j	Q3 J a s	Q4 o n d	Q1 J f m	Q2 a m j	Q3 J a s	Q4 o n d			
3	Impl. of Performance improv. and modern. Plans					p	p	p	p	no output planned for 2000	no activities in workplan for 2000	
	Assistance to IPA and CAS											
	Assistance to the Institute of Public Administration											
1	Review and assessment of NIAD position				n					no outputs defined until a relation has been established with the new IPA	Fact finding survey study completed. Survey findings will be taken into account for the establishing of an Institute of Public Administration. Recommended measures and actions discussed with CSB	
2	Drafting of a policy framework for inst. and org. development				d					no output planned for 2000	Study and recommendations sent to OMSAR by 21 December 2000	
3	Drafting of a paper for the org. structure of IPA					p	p	p		no output planned for 2000	no activities in workplan for 2000	
	Assistance to the Central Administration of Statistics											
1	Devl. of a strategy plan for the institutional dev. of CAS				p					Draft strategy plan available in Dec. '00	Discussions held with M&E Mission of EU in July 2000. 2 Statistics experts were mobilised 9-21 Nov. 2000 and presented their first report with proposals for activities	late mobilisation due to difficulties in finding suitable experts
2	Implementation of the strategy plan					p	p	p	p	First report available in April '01	no activities in workplan for 2000	
3	Work plan for a new system of national accounts statistics				p					Design completed before the first of January '01	LTE National Accounts came on first mission in November '00 and identified needs	Long mobilisation period of LTE
4	Implementation of the work plan					p	p	p		no output planned for 2000	no activities in workplan for 2000	
5	Development of area of Expertise & training CAS staff									no output planned for 2000	no activities in workplan for 2000	
										p = planned o = ongoing (in progress)	c = completed a = abandoned / canceled	n = no progress (delayed) d = delayed (after end of planning)

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001 (Version September 2000)

(3) Establishment, coordination and monitoring of MSCs and IAPs

Act #	Projects and Activities	Year 2000				Year 2001			Outputs planned		Progress made upto end December 2000	Problem encountered / reason for deviation	
		Q1 J F M A M J J A S O N D	Q2 J F M A M J J A S O N D	Q3 J F M A M J J A S O N D	Q4 J F M A M J J A S O N D	Q1 J F M A M J J A S O N D	Q2 J F M A M J J A S O N D	Q3 J F M A M J J A S O N D	Q4 J F M A M J J A S O N D				
Central Administration													
Assistance to the Ministry of Social Affairs													
1	Functional study of Ministry of Social Affairs and NSSF										Study ready before the end of Nov. '00	Part of the study has been completed by a local consultant; needs further work by STE	Difficulty to find suitable international expert
2	Functional Upgrading of the Social Protection System in Lebanon										In Work Plan Dec. No output planned in this quarter	No candidate for the mission could be approved or mobilised so far	Difficulty in finding candidate with experience in all fields of social protection
3	Determination of Assistance programme for the MOSA										Decision on MSC establishment Nov.	not planned for this period	
4	Procurement of possible MSC or IAP										no output planned during this quarter		
5	Implementation of MSC / IAP monitored by PMC										no output planned during this quarter		
Assistance to the Ministry of Labour													
1	ToR MSC Institutional Strengthening of the ML/NEO										ToR for MSC approved October '00	ToR submitted to EC 30/9/00. EC's comments received 29/11/00 and integrated in ToR, which now ready for re-submission	Late submission of comments by EC; confusion regarding nature of comments
2	Procurement of MSC Instit. Reform MoL / NEO										No output planned during this quarter		
3	Implementation of MSC / IAP monitored by PMC										No output planned during this quarter		
Assistance to the Ministry of Economy & Trade													
1	TOR MSC Institutional Reform of the Ministry of Econ. & Trade										ToR approved Oct. '00	EC has requested the merging of the two MSCs for which separate ToR had already been prepared. This was not achieved over the quarter	Merging of project ToR requires detailed discussion and agreement of MoET, OMSAR, PMC & EC - delayed implementation likely.
3	TOR IAP Establishment of a Trade Policy Unit										ToR approved Oct. '00	ToR approved by EC 6/10. Reduction in scope of ToR proposed by OMSAR in November 2000.	Reduction of scope of project ToR requires agreement of MoET and OMSAR.

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001 (Version September 2000)

(3) Establishment, coordination and monitoring of MSCs and IAPs

Act #	Projects and Activities	Year 2000												Year 2001				Outputs planned		Progress made upto end December 2000	Problem encountered / reason for deviation																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
		Q1 2000				Q2 2000				Q3 2000				Q4 2000				Q3 2000	Q4 2000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A					M	J	J	A	S	O	N	D																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
4	TOR IAPConsumer Protection Policy																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001 (Version September 2000)

(3) Establishment, coordination and monitoring of MSCs and IAPs

[illegible]

Annex 5. PMC Activities in 2000, compared with targets in Work Plan July 2000 - June 2001 (Version September 2000)

(3) Establishment, coordination and monitoring of MSCs and IAPs

Act #	Projects and Activities	Year 2000								Year 2001				Outputs planned		Progress made upto end December 2000	Problem encountered / reason for deviation
		Q1 j f m	Q2 a m j	Q3 j a s	Q4 o n d	Q1 j f m	Q2 a m j	Q3 j a s	Q4 o n d	Q3 2000	Q4 2000						
1	ToR MSC Capacity building of Telecom Regulatory Authority														MSC approved Oct. '00	ToR approved by DG at MoPT & submitted informally to EC 12/10/00. ToR reviewed by Task Manager in Brussels. EC published Pre-information notice 28/11/00	Communications problems between PMC & STE delay formal submission of ToR by PMC to OMSAR
2	ToR IAP Telecoms Regulatory Study Tour														No output planned	New activity in Work Plan Dec. 2000, on request of OMSAR	
3	Procurement of MSC Telecoms Regulatory Authority														no output planned		
4	Procurement of IAP Telecoms Regulatory Study Tour														no output planned		
5	Implementation of IAP Reg. Study Tour monitored by PMC														no output planned		
6	Implementation of MSC / IAP monitored by PMC														no output planned		
Local Administration																	
	no projects identified so far														no outputs planned for this quarter	no activities in workplan for 2000; request made to new Minister of OMSAR to follow up	
p = planned o = ongoing c = completed a = abandoned / canceled n = no progress (delayed) d = delayed (after end of planning of																	

Activity & Output schedule abbreviations

Staff input codes:

International LT Experts

it1	information technology expert
me	Monitoring and Evaluation Expert
pa	Public Administration Expert
pc	Procurement & Contracting Expert
pm	Project Management Expert
stat	Statistics expert, National Accounts
tbd(2)	Training Exper
tl	Team Leader

International ST Experts

au	Auditing expert
bks	Backstopping
csr	Civil Service Regulations Expert
et	Economy & Trade expert
hrm	Human Resources Management expert
it2	IT expert in Master planning
le	Legal expert
pa1	PA expert with exp. in Performance measurement system
pa3	PA expert with exp. in regional and local adm reform
pa4	PA expert management and organisation devt.
pa5	PA expert inspection and auditing
pc	Procurement/contract expert
pe	Public expenditure management expert
pf	Public Finance management expert with exp in taxation
pme	Performance Monitoring & Evaluation expert
pt	Post and Telecoms Expert
sim	PA expert with exp.in regulatory reform/Simpl.procedures
soc1	Social protection Expert
soc2	Social Sector Expert
ss	Studies and Survey expert
stat2	Statistics expert, Institutional development
str	Statistics Trainer expert
tbd	To be determined
te	Transport expert

tr1	training strategy expert
tr2	training expert
var	various experts

Local LT Experts

lfa	Finance Administration expert
lit1	IT Systems analysis and development exp
lpa	Administrative modernisation expert
lpc	Project management/capacity building exp

Local ST Experts

lhre	Human resources expert
lide	Expert in statistic, institutional developm
lit2	IT Expert
llge	Local Governance Expert
lpe	Public Expenditure Management Expert
lpms	Expert in Performance Management Syste
lsoc	Social Security Expert
ltbd	To be determined
ltr	Statistics Trainer expert
ltran	Translators
lvar	Local various experts

p = planned	for the month
o = ongoing	during the month
c = completed	during the month
a = abandoned	during the month

Annex 6. Summary of the Strategy Paper on Administrative Reform

Five to Twelve

Heading for Public Administration Reform in Lebanon

Draft White Paper

October 2000

A Summary

Section 1. Core Problems of the Lebanese Public Administration

The paper starts off with an assessment of the core problems which continue to plague the Lebanese public administration. These can be summarised as follows:

- **An overburdened State:** In many operational fields of the State, commercial agencies and/or non-government organizations would be better equipped to act.
- **Inadequate organization and structures:** In particular the high degree of centralization in the Lebanese government, with very limited authority delegated to local government
- **Weak policy making :** Many of the existing laws and regulations need to be updated and modernized in the light of new changes and developments. There is a lack of policy-making capabilities, including lack of management information systems.
- **Inadequate Civil Service:** Examples: a large number of vacancies, coupled with significant overstaffing in the lower ranks in some sectors, a weakening of the role of merit in matters of recruitment, mobility and staff careers. Furthermore: recruitment and testing system is outdated, while training programmes for civil servants are outdated and of limited quality.
- **Poor Governance:** There are strong pressures on the public administration and frequent interference in its work, which has led to a patron-client relationship with politicians acting as intermediaries to secure favors and services for the citizen from a highly inefficient and unresponsive bureaucracy.
- **Lack of Accountability:** The systems of control and accountability in both the political and administrative domains are highly ineffective.
- **Absence of client orientation and responsiveness:** The State is seen as primarily serving the interests of politicians, civil servants, and particular factions and partisan priorities. The existing machinery does not have strong incentives to take the needs and views of citizens as the essential point of reference.

Section 2. The failure of earlier reform efforts

Looking back at the early efforts of reform undertaken by the Lebanese Government, it seems justified to conclude that they were mainly aimed at the development of human resources and organizational improvements within individual organizations. They hardly touched upon the strategic and structural problems related to the legal mandate of institutions nor did they provide a decisive Government's vision on the overall role, position and character of the Lebanese administration. The emphasis, in other words, has been more on rehabilitation and modernization, and much less on reform.

For over 40 years, the Lebanese administration did not witness any major review of its structure. Consequently, the present set up of the Lebanese civil service requires urgent and comprehensive renovation to meet the requirements of a modern State. The vicious circle of poor performance and limited accountability calls for urgent formulation of a framework within which administrative reforms should be conceived and implemented. The next section will offer the basic principles that should inspire such a framework.

Section 3. The functions of the State as identified by the Strategy Paper

The ultimate goal of the recommended administrative reform strategy is to set up an efficient, flexible and dynamic public administration that will be able to ensure the country's social and economic development, while securing basic social services and national integration, and adhering to principles of good governance. Civil service has to be output oriented, and concerned with performance and achievement of results on the basis of economy, efficiency and effectiveness, while utilizing opportunities that new information and communication technologies provide. New and open relationships have to be established with the public with emphasis on transparency, accountability and quality of service delivery, including close partnerships with the private sector and civil society, in order to ensure the legitimacy of the public administration.

In order to address the overdue reform of the public administration, it is important to take account of the '*core functions*' of the State. Among the most important tasks of the State are:

- Ensuring the integrity of the country and providing basic security against internal and external aggression
- Conducting foreign relations
- Establishing and preserving the rule of law
- Macroeconomic management, i.e. stabilize macroeconomic conditions and ensure the mobilization and effective application of capital
- Ensuring the availability and adequate functioning of basic infrastructure
- Ensuring the protection of the weak and the vulnerable
- Ensuring the framework that enables civil society and the private sector to function and develop
- Protecting the environment and preserving scarce natural resources for future generations

Given such core functions, the following '*basic principles*' should govern modern administrations:

1 Legality

The consistent and fair enforcement of laws is an essential element in maintaining the foundations of a stable society and a legitimate State.

2 Involvement of Civil Society

The presence of a strong and vivid civil society is a precondition for 'good governance', as it helps to establish the countervailing powers that will correct the State or private sector. Good governance is characterized by openness, a willingness to account, attention to all clients and adherence to agreed plans.

3 Accountability

Effective accountability mechanisms require: clear roles and responsibilities, well defined management structures, appropriate monitoring regimes, and openness and transparency of decisions taken by the public administration.

4 Responsiveness

Responsiveness in public administration should be a principle that links the administration to its clients, thereby safeguarding the quality, accessibility and transparency of public service delivery. It means that government measures are informed and guided by the needs of citizens and take into account the changing priorities and resources of these citizens.

5 Result- and Performance-orientation

This means that bureaucratic standards are to be abandoned for a more result-oriented public administration, by setting clear targets and quality standards, and monitoring implementation so as to ensure better results against lower costs.

6 Balanced relationship with the Private Sector

To advance social and economic development, tailored partnering arrangements between public and private sector are essential in order to improve service delivery of public goods by using the higher efficiency of the private sector in many operational fields.

7 Capacity to Learn and Renovate

The capacity to learn, adapt and improve current public institutions, and, if necessary, close down some or create new ones, is an essential prerequisite to ensure adequate performance of the public sector in cementing social and economic development.

The Strategy Paper elaborates each of these basic principles further, before proceeding to outline the needed strategy framework.

Section 4. Objectives of the Reform Strategy

The proposed comprehensive administrative reform strategy for Lebanon, which should address the need for reform, as discussed in section 2, and account for the above principles for modern public administration, should have the following components:

- a) Focus the role of the State on core functions and tasks
- b) Ensure effective and coherent structures of the public administration
- c) Strengthen policy making and implementation capacity
- d) Ensure high quality civil service and civil servants
- e) Streamline and modernize procedures and systems
- f) Enhance the quality of governance
- g) Improve client and result orientation

Promote focusing of the State on core functions and tasks

The State has to focus on what the State can and should do best, leaving other activities and roles to private sector and civil society. The State should do less but do that better. A few of the interventions listed in the paper are the following:

- *Clarify the mission of the State in terms of core functions (strategic policy making, planning, coordination and control) and complementary operational tasks;*
- *Assess budgetary and human resources available for meeting the above core functions, and determine the scope to mobilize these;*
- *Decide on scope for phasing out operational functions in the various sectors;*
- *Discontinue State involvement in service delivery (and production) on a large scale.*

The core functions of the State need to be organized in a coherent and effective manner, putting responsibilities at the lowest possible level and allocating roles in a systematic and consistent manner. This can be pursued, amongst other things, through the following interventions:

- *Re-design organizational structures based on re-examination of the overall structure of government administration and the mandates of individual ministries and autonomous agencies with a view to rationalizing and streamlining core functions and responsibilities among them.*
- *Unbundle government institutions: ensure clearer demarcations of distinct responsibilities with their particular competences for the separate roles of policy making, planning, resource allocation and control, execution and monitoring.*

Strengthen policy making and implementation capacity

The State needs to be capable to focus its limited resources and priorities on carefully selected levels and areas of intervention. These priorities need to be founded in solid data, rational balancing of alternative approaches and transparent decision making in the context of more encompassing strategies. Policy decisions need subsequent translation towards operational plans, budget allocations and increasingly specific targets for implementation. Implementation needs rigorous monitoring, leading to fine-tuning and modification and to cumulative learning at all levels.

Ensure high quality of civil service and civil servants

The civil service needs to be the essential instrument for the State, of high quality and integrity, driven by competence and commitment, and allowing flexible allocation of staff. The number, nature and allocation of civil servants should reflect the medium term needs of the State, rather than short term politics or long term job entitlements. Professional quality should increasingly focus on rational decision making and client/result oriented management of scarce resources, rather than on legal and administrative procedures. These qualities may be promoted through the following interventions (selection):

- *Bring the civil service size in line with overall requirements related to core functions and with realistic estimates of available budgetary resources*
- *Develop new legislation on the civil service, stressing accountability and introducing greater flexibility and stronger performance orientation;*
- *Introduce a recruitment/selection system and a career development system exclusively based on merit, with a simple grading and ranking system;*
- *Introduce a transparent and objective performance measurement system, regarding quality and productivity of civil servant.*

Streamline and modernize procedures and systems

Procedures, regulations and systems in Government need to be entirely transparent, focused on results and accountability for results, and allow for flexible responses to a changing environment. Regulations need to reflect carefully selected areas where the State needs to intervene, need to be kept simple and should reflect the operational realities of the areas to be regulated. Systems for communication, data storage and analysis need to meet increasingly high standards of technical quality, efficiency and internal as well as external transparency. This can be pursued through the following interventions:

- *Rationalize the consultative administration (through the restriction of advisory boards and committees in the various ministries);*
- *Review all regulations on their justification, costs and enforcement opportunities and phase out unnecessary or overly costly forms of regulation;*
- *De-bureaucratize the government administration through the simplification of work methods and procedures wherever possible;*
- *Prepare and introduce a Code of Administrative Procedures that emphasizes result orientation, integrity and efficiency of procedures;*

Enhance quality of governance

The State needs to re-win the confidence of its citizens and needs to ensure that its procedures and use of power meet the highest standards of integrity, openness and the rule of law. The interaction between the State and non-State organizations and citizens should be open to public scrutiny and without political or factional interests. This can be promoted through the following interventions:

- *Improve financial accountability of public agencies by way of transparent accounting procedures and emphasizing the use of inputs in proportion to agreed outputs;*
- *Introduce performance auditing, where the relevance and effectiveness of activities replace the fixation on procedural detail and inputs;*

Strongly promote the highest standards of integrity and ensure adequate punishment of civil servants caught in corruption, regardless their level or political affiliation.

Improve client and result orientation

In the end, the State exists to serve the citizens and its justification can only be found in the citizens' perception that this State effectively serves their collective and, at times, individual interests. This requires a constant awareness among civil servants of this service orientation and the need for them to respond to the legitimate but variable needs of their clients, the citizens of Lebanon. The concept of measurable results, rather than procedures, needs to permeate the operation of agencies. The voice of citizens needs to be accepted and responded to. Success of agencies needs to become increasingly subject to public scrutiny in terms of their actual contribution to solving problems and enhancing the aspects of the quality of life that relate to the concerned sector. These objectives can be pursued through the following interventions:

- *Promote appropriate interfaces between the government administration and civil society, including e.g. effective complaints systems and the introduction of Ombudsman's office)*
- *Develop surveys and systems to monitor citizen's satisfaction with the performance of the public sector*
- *Set benchmarks for time and quality of service delivery, compare with relevant countries and set targets to gradually improve against such benchmarks;*
- *Introduce a Citizens Charter for key ministries and establish arrangements that involve prospective clients in monitoring against such a charter;*
- *Introduce the 'one stop shop' principle in each ministry;*

Section 5. Priorities and sequencing

The Government needs to set priorities among and within the various key strategies. Not all strategies are equally urgent and some will have a much longer gestation time than others. In our view, the order in which the seven key strategies were presented before reflects a logical sequence regarding the overall priorities. Moreover, regarding the planning and sequencing of activities, one could differentiate between:

- 1) **Strategic plans** for approx. five years, outlining key strategies, and agreed and monitored at the highest political (= Cabinet) and administrative (= Core Agencies) level;
- 2) **Master plans**, setting priorities and goals for specific sectors for the medium term, and agreed and monitored at line ministry level;
- 3) **Operational plans**, elaborating specific activities and staff deployment schedules on an annual basis, and agreed and monitored at department and agency level.

While conceiving the various types of plans, it should be kept in mind that there are four types of interventions, each with its own character, limitations and scope: (1) legislation, (2) decrees, (3) policies, and (4) programmes.

The reform effort will require interventions at all four levels and needs careful orchestration of the short, medium and long term actions at the respective levels. Before putting such plans together, the most essential step is to decide on the machinery that may be put in place in order to prepare and facilitate all subsequently steps. This is taken up in the next section.

Section 6. The need for a strong machinery for reform

The experience of many countries, including those with an advanced administrative structure, clearly indicates that the success of reform efforts depends to a great extent on the existence of an effective and independent central reform machinery, connected with the center of political power, that can deal with reform issues and problems on a regular and continuous basis. In recognition of such a need, the administrative reform movement of 1959 in Lebanon decided to establish such a machinery through the creation of the Research and Guidance Department within the Central Inspection, which was entrusted with the responsibility of administrative reform and improvement throughout the public administration. Unfortunately the R&G Department did not prove to be an effective instrument of reform for a variety of reasons.

Many years later, the Office of the Minister of State for Administrative Reform (OMSAR) was progressively established by a Council of Minister's decision in June 1995. OMSAR was to prepare the long term framework of the Administrative Reform Strategy of the Government of Lebanon within which administrative development in the country should be implemented, promote the strategy on the level of the Government as well as on the level of each administration and agency, and play a central coordinating role and mobilize resources for the implementation of the Administrative Reform Strategy of the Government. However, reform policy decisions with major structural impact have not been taken since, as a result of which OMSAR did not have the envisaged impact during the five years of its existence.

In view of the failure of earlier administrative reform efforts, and given the inadequate nature of the Lebanese administrative institutions currently involved with administrative reform and development, there is a need to look for other avenues to guide, shape and facilitate this tremendous activity.

Section 7. Different Options for a Central Reform Machinery

A starting point for the new Government of Lebanon for redesigning the overall Lebanese administrative architecture will be the decision on an agency taking up the task of administrative reform and development. This agency should develop general policies of a central nature in the pursuit of national administrative reform, translate policies into operational plans, issue executive guidelines, determine principles for the proper functioning of the State apparatus, coordinate and motivate the activities of the reform process, and monitor all aspects of administrative reform and development so that efforts will be unified within a comprehensive framework.

Basically, there are three distinctive ways to tackle this issue:

1. Establishing a **Ministry of Administrative Reform and Development (or Ministry of Public Administration)**. In many countries, such a ministry is a separate entity. (Italy, France, Spain, Portugal, Sweden, Luxembourg, Norway, Belgium, Greece etc.). In the latter two countries such a ministry is combined with the Ministry of Interior, as a Ministry of the Interior and Public Administration. In Norway it is combined within a Ministry of Labor and Government Administration. The key advantage of this option may be the professional strength, continuity and weight of such a ministry. The negative side is the risk of political hijacking and the lack of leverage over other ministries.
2. Designate and charge a **Minister of State Administration (without portfolio)** with the responsibilities of administrative reform and the overall management of the civil service. This minister is to mobilize and co-ordinate the activities of the ministries and other administrations. He/she can be assisted by a **Committee for Administrative Reform** or another supportive organization.
3. Creating a **central reform agency** which will be attached to the **Prime Minister's Office**. This agency should enjoy independence and immunity with a responsibility for administrative reforms and improvements in public administration.

The Paper leaves the choice of the best option to the Minister.

Section 8. Implementation of the Reform Process

A reform process for Lebanon should be properly sequenced in order to safeguard its effectiveness. In the following schedule, a **five years time frame** is suggested, by way of illustration. In the end, more important than the precise timing of various elements, is the principle of sequencing the reform process.

- a) An intensive **four months** period to establish basic consensus at the highest level and to decide on the scope, nature and direction of reform and on the appropriate machinery. Strategic responsibilities at Cabinet level are allocated and key principles established.
- b) An intensive **four month** period of wide-spread debate and discussion on the problems and proposed strategies. This should result in an explicit endorsement of the overall thrust of the proposed strategy under the auspices of the Council of Ministers. Alongside, a platform for interaction and consultation between government agencies, private sector and civil society is to be established and massive publicity is given to the principles of, and approaches towards, administrative reform.
- c) An intensive **four months** period for developing sequential activities plans and for equipping the selected central agency with the mandate, responsibilities, staff and other resources for facilitating and guiding the reform process. In this period, this agency will also be provided with a cadre of key staff, and complementary facilities (building, budget, etc.).
- d) A **ten month** period in which activities take place at four levels:
 - 1) Government takes specific decisions on key issues, in response to position papers and proposals prepared by the central reform agency
 - 2) The initially selected agencies develop coherent reform strategies for their own roles and functions, and embark on the process after receiving the go-ahead from Government
 - 3) Options for decentralization and privatization of central government tasks are investigated and discussed, resulting in a range of choices ready for political and legal decision making
 - 4) A national platform involving State, civil society and private sector organizes extensive discussions and invites inputs from all interested parties.
 - 5) Performance Improvement Planning takes off at a wider scale.
- e) A **two month** review of the reform process so far, concerning direction, roles and responsibilities, the need for external and internal support and next steps to maintain or increase the political momentum and to expand the actual reform process.
- f) The **third year** would see a process in which the selected agencies complete their reorganization, legal conditions are developed, and the next generation of agencies embark on the reform process. The privatization process intensifies. Training and motivation of civil servants expands (including in use of modern IT facilities). Resizing scenarios for selected ministries, departments and executive agencies start to be executed. Key officials are trained in modern management and planning techniques. Arrangements ensuring accountability and transparency are established.
- g) The **fourth year** would bring further re-sizing, initial steps towards decentralization, out-contracting former governmental activities and massive training of middle level officials. Executive Agencies will be abolished, merged with ministries or put at greater distance. Internet technologies are widely introduced for transparency and efficiency reasons.
- h) The **fifth year** would see evaluation of the process up to that time, finalization of the decentralization and out-contracting, review and, if needed, revamping of the central reform agency and planning for the next period.

Section 9. Short term choices to be made

The experience in Lebanon illustrates that discussions on public administration reform do not necessarily lead to tangible results. Nevertheless, it is essential that the new Government soon takes a number of clear and practical decisions to actually initiate the process and to enable others to mobilize support.

Decisions on substance

a) Establish basic principles: the first and most profound decisions to be made concern the urgency and basic directions of reform. The Government should make a considered and carefully crafted statement that gives highest priority to reforming the public administration arrangements of Lebanon and that outlines the basic principles and direction of the intended reform.

b) Set time frame: when embarking upon the process, the overall time frame should be clear. This in order to underline the scope and significance of the exercise and to ensure that expectations on outcomes will be realistic.

c) Select and arrange the machinery: there needs to be a central agency that has the mandate, legal means, staff and financial resources for guiding and supporting the reform process. Currently there is no agency that meets these conditions.

d) Establish leverage to the process: the suggested reform efforts are likely to generate significant resistance and possibly sabotage. This can derail the process. Even passivity of key civil servants can block the process, minimally by withholding valuable expertise and élan. This can only be countered by consistent political pressure from the highest level.

e) Ensure regular decision making: once the basic decision to embark on the reform process has been made, there will be an increasing number of major and minor issues that will need to be decided in a timely and coherent way. The major issues will need cabinet level approval and it will be essential to ensure direct access to this level of decision making.

f) Consider early reform measures: while it is unavoidable that the reform process will take considerable time, it is important that some early measures will be taken that are eye-catching and attractive to the citizens of Lebanon and that confirm their confidence in the reform orientation of the Government. One can think of initiatives to expand the use of the Internet to establish easy access to governmental information, the establishment of an Ombudsman, the introduction of E-Government for a selected agency, or the adoption of a Citizens Charter.

Decisions on process

The urgent high level decision making required to start and sustain the reform effort should also extend to the organization of the process itself. The following issues need clear decision in the short term:

- a) Agree on platform with civil society
- b) Agree on platform with the commercial sector
- c) Establish a platform for coordination of donor support to reform
- d) Ensure total transparency;
- e) Allocate key responsibilities;
- f) Issue instructions and time-frame to OMSAR
- g) Decide on short term donor support.

The Paper elaborates each of these issues.