

Ten Principles for the Sustainable Reconstruction of Lebanon

The following principles provide a guideline to achieve sustainable economic and social development for the future of Lebanon that will benefit all strata of the population and all regions:

1) Reconstruction should follow clear economic, financial and social objectives with simple and efficient implementation procedures that will mobilize the civil society, and the energy and talents of resident as well as emigrant Lebanese.

2) The central objective of reconstruction will be to correct the traditional imbalance of the Lebanese economy, assuring the diversification of productive sectors and the development of all regions in the country, as well as their economic potential in modern agriculture, crafts, high value added services in ITC and durable and equitable tourism.

3) Reconstruction will serve to unleash a process of development securing high and sustainable growth rates of the economy through the full mobilization of human resources, exploiting water and agro-alimentary resources, the exploitation of Lebanese potential in production and exportation of high quality services responding to the evolution of the global economy.

4) To achieve this, the reservoir of the unexploited Lebanese productive capacity should be mobilized in the reconstruction process in accordance with the following principles:

- Priority should be given to Lebanese industries in all fields of reconstruction.
- Lebanese labour should be solicited as a priority for work in all the reconstruction activities with equitable salaries, a reduction of social security charges for all employment related to reconstruction work,
- The Lebanese army should be utilized in reconstruction projects to diminish its cost,
- Universities, higher education and technical institutes should participate in the work of reconstruction,
- Tendering procedures should be made simple, transparent and adequately controlled on a permanent basis.
- Lebanese NGOs should create a Reconstruction Observatory to act as a watchdog to survey and control the appropriate implementation of reconstruction projects and criticize those actions which bypass the broad objectives and principles of reconstruction. The Observatory should also insure that the reconstruction work is undertaken at the best value in conformity with best practices.
- The monopoly of the Council of Reconstruction and Development on all development projects and the key Government decisions in development policy should be abolished in order to reinforce immediately the institutional and technical capacity of the ministries, municipalities and public entities producing essential services, such as distribution of water, electricity and transport. The ministries will also have to be endowed with the adequate human resources to be able to manage the reconstruction process.

5) Regional development societies will be established in each Qada with capital from emigrants originating from the Qada, the Lebanese Social Development Fund and municipal participation. The societies will have the technical capacity and power to initiate local public and private projects and to implement local infrastructure projects.

6) The municipalities will have the responsibility related to social protection and local development, including primary, secondary and technical education. Their financial and human means will be enhanced and they will benefit from twinning with European, Canadian, South American or Asian cities to assist in reconstruction.

7) Lebanese banks will agree to reduce their interest rates during the coming years and accept a temporary reduction of their profits for the benefit of reconstruction. The Banque du Liban will support this policy and progressively replace its Tbill portfolio with a portfolio of medium term loans discounted from the banks that will have supplied financing to reconstruction projects.

8) The modalities of managing the public debt will be reformed to reduce its cost and its management will be transferred to an autonomous entity independent from the Banque du Liban and the Ministry of Finance.

9) A committee to reform the monetary and financial system will be created to progressively reform this system based on the simultaneous use of two currencies in the economy (the pound and the dollar) and on the rigidity of the rate of exchange, to establish a system better adapted to the needs of accelerated growth based on the development of Lebanon productive capacities and the flexibility required by economic globalization .

10) Reconstruction will be accompanied by a political reform centered around a revision of the electoral system assuring the representation of all Lebanese and with administrative, economic and financial decentralization to permit development of local democracy.