



# Enhancing Integrated National Development Planning at the Ministry of Economy and Trade in Lebanon

The path to economic revival in the short to medium term

## Project Summary



Project Information:	
<b>Project Title</b>	Enhancing Integrated National Development Planning at the Ministry of Economy and Trade in Lebanon
<b>Start Date</b>	2022
<b>Duration</b>	6-8 months
<b>Planned Budget</b>	\$300,000 - \$350,000
<b>Target Countries</b>	<i>Lebanon</i>
<b>Key Partners</b>	Ministry of Economy and Trade, UN Country Team, UN Agencies and other international organizations in Lebanon
<b>Key Result Area</b>	Short to medium term operational plan for Lebanon

## 1. Urgent need or emerging issue [needs assessment]:

For the past 3 years, Lebanon has been facing one of the worst economic and financial falls in modern history. According to ESCWA's estimations, the Lebanese GDP contracted by 16.2% in 2021,<sup>1</sup> followed by an increase in multidimensional poverty rate from 42% in 2019 to 82% in 2021.<sup>2</sup> According to the Crisis Observatory at the American University of Beirut, Lebanon is entering a "third mass exodus" due to the already mentioned crises hitting the country, with 77 per cent of youth indicating that they think and seek emigration<sup>3</sup>, leading the country to a brain drain crisis.

These alarming numbers reflect the depth of the crisis and the urgent need for an economic revival plan with short- and medium-term results, where the aim will be focusing on creating job opportunities, limiting the brain drain and the emigration of the Lebanese skilled labor.

In February 2022, ESCWA worked in collaboration with the Ministry of Economy and Trade (MoET) in Lebanon to produce a policy brief titled "Competition in Lebanon." On the 4<sup>th</sup> of July 2022, ESCWA held a meeting with H.E Mr. Amin Salam, the Lebanese Minister of Economy and Trade, to discuss the support in developing a short to medium-term economic revival plan to meet the urgent need of the Lebanese economy. To ensure that this plan is fully developed into a realistic and implementable plan, ESCWA is proposing a project which focuses on enhancing national development planning. The project allows for the development of a complete and realistic operational plan.

The development of the plan will be guided by the following key points, to ensure that the plan is operationalized and flexible:

1. The plan will build on previous plans, and the objective is to complement what has been done before.
2. The plan intends to be operational focusing on implementations such as activities/ and foundations, which Lebanon needs to embark on in the short term.
3. The plan will be linked to budgetary resources to ensure implementation.

4. The economy is not limited to the 3 identified sectors. The operational plan will include other cross cutting sectors during the preparation and implementation processes.
5. The plan will also ensure flexibility and adaptability to changes and shocks.

The plan will be built using ESCWA's planning guidelines, and best practices.

## 2. Project Description

- The aim of this project is to provide support for the MoET in developing a strategic short to medium term economic revival plan focusing on key sectors that the MoET and previous plans have identified as priority sectors, which can serve as a basis for economic revival and the achievement of Lebanon's development needs in the short run.
- The support in improving national development planning is based on ESCWA's Guidelines of Good Planning,<sup>4</sup> which identify the main elements of a good plan. Building on this, ESCWA envisions support to be in the following elements:
  - Revision of Previous Plans: The revision of previous national and sectoral development plans published and/or adopted by the Lebanese Government or international organizations is essential. Through such a revision, strengths and shortcomings of previous plans will be identified, allowing for building on them to formulate a plan which consolidates and completes previous efforts.
  - Evidence-Based Analysis: Conducting evidence-based analysis results in a clear understanding of the status quo of the economy and its sectors, clearly identifying the needs, challenges, and opportunities. Planning will therefore be realistic and grounded in the factual basis of the economy. In addition, evidence-based analysis is required for setting realistic and implementable targets in line with the potential of the country and for choosing suitable key performance indicators, paving the way for a sound monitoring and evaluation process. Through ESCWA's quantitative tools, the economic impact of different actions and policy options on the economy will be measured and quantified.
  - Key Performance Indicators: Setting key performance indicators (KPIs) is an essential component of developing sound national planning documents. Key performance indicators determine the degree of workability of the plan. Fully identified KPIs comprise four elements: 1) specific baseline, 2) target, 3) year of accomplishment and 4) responsible authority, which stands for an accountable checklist of the plan. Only KPIs displaying all those four pieces of information allow for close monitoring the progress of its implementation. Not setting complete KPIs complicates the implementation of the whole plan and risks the capability of the plan to be monitored.

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<sup>1</sup> ESCWA projections based on the World Economic Forecasting Model for 2021, retrieved from ESCWA, Survey of Economic and Social Developments in the Arab Region 2022, 2020–2021.

<sup>2</sup> Multidimensional poverty in Lebanon (2019–2021). [unesco.org/sites/default/files/news/docs/21-00634-multidimensional\\_poverty\\_in\\_lebanon\\_policy\\_brief\\_en.pdf](https://unesco.org/sites/default/files/news/docs/21-00634-multidimensional_poverty_in_lebanon_policy_brief_en.pdf)

<sup>3</sup> Crisis Observatory report - <https://english.alarabiya.net/News/middle-east/2021/08/31/Indicators-warn-of-a-third-mass-exodus-from-Lebanon-AUB-Crisis-Observatory>

<sup>4</sup> On the Guidelines of Good Planning: The Case of the Arab Region, 2017.

[https://archive.unescwa.org/sites/www.unescwa.org/files/page\\_attachments/on\\_the\\_guidelines\\_of\\_good\\_planning.pdf](https://archive.unescwa.org/sites/www.unescwa.org/files/page_attachments/on_the_guidelines_of_good_planning.pdf)

- **Multi-Stakeholder Engagement and Coordination:** Depending on the sector and the scope of the plan, there are different stakeholders involved in different stages of planning, and each of the stakeholders has a role in reaching the intended outcomes. Through involvement of stakeholders prior to the development of the plan and also during implementation, the ministry will increase ownership of the plan and ensure commitment to its implementation.
- **Operational Planning and Budgeting:** Through following the guidelines of good planning and the above-mentioned elements, an operational plan will be accomplished. Due to the clearly defined objectives and actions, this plan serves as the basis for clear and transparent budgeting. Thus, operational planning and budgeting is an area to stress on because linking actions to budgetary resources facilitates implementation.
- **Monitoring And Evaluation:** Another good planning practice is defining a clear monitoring and evaluation framework, including process and tools, which clearly state responsibilities and mechanisms of following up. Thus, this will be signifying the importance for accountability and showing a willingness to restore trust. Monitoring and evaluation will signal the state's degree of commitment and strengthen its credibility as a policy maker, which would reflect positively on people's expectations. An effective monitoring and evaluation framework will ensure fulfilling all KPIs, indicating that all actions/programs have been carried and implemented, and the objectives are achieved.
- **Effective Communication:** It is important to realize that uncertainty can't be eliminated. Strategic and effective communication can contribute to bridge the gap between achieving results and stakeholder's expectations, bringing legitimacy to the plan. The need for strategic effective communication is thus crucial since it strengthens credibility through recognizing past failures and mistakes, presenting accurate and timely facts and figures, provide clear and strongly structured plan, helps explaining effective deviations from expected accomplishments and adjustments in policies as well as expected outcomes, avoiding contradictions among ruling elites, and developing a culture of accountability.
- The project output and the desired results will be achieved through providing assistance in the form of analytical tools, technical papers, capacity building, advisory services, communication strategy and human resources.
- ESCWA will provide support for the MoET in developing the short to medium term plan. While fundamental reforms are crucial for recovering the economy, specific short-term actions in core sectors are imperative in initiating economic revival and thus generating quick employment opportunities and additional incomes. The newly developed ESCWA Skills Monitor will help reduce the gap between the job market needs and job seekers. ESCWA skills monitor uses big data from almost 170K online job openings for Lebanon to check the type of skills and jobs demanded, in addition it investigates the type of skills and jobs needed (as interconnectedness, and opportunities for reskilling and upskilling).

### 3. Contribution towards the achievement of SDGs:

The 2030 Agenda for sustainable development, adopted by all UN member States in 2015, provides a long-term plan for peace and prosperity. The shared goals must constitute an action plan by all countries to end poverty, reduce inequality, and stimulate economic growth. Through this project, ESCWA will contribute towards the achievement of sustainable development goals 1, 2, 8 and 17.



### 4. Results and Activities:

**Main Outcome:** Better strategic, integrated, coordinated, and evidenced-based economic revival planning which allows for operationalizing the plan and thus facilitate implementation. Immediate results will be related to the following focus areas<sup>5</sup>:

<b>REVISION OF PREVIOUS PLANS</b>	Revision of national and sectoral plans previously published by the Government and international organizations		
<b>EVIDENCE-BASED ANALYSIS</b>	Designing/updating a CGE model for Lebanon	Capacity building on evidence-based analysis	Technical paper on sectoral employment and the demand on skills and jobs
	Capacity building on ESCWA Skills Monitor		
<b>KEY PERFORMANCE INDICATORS</b>	Advisory services to support the identification of sectoral and national KPIs	Capacity building for the stakeholders involved in setting sectoral & national KPIs	
<b>MULTI-STAKEHOLDER ENGAGEMENT AND COORDINATION</b>	Advisory services in facilitating consultations between the MoET and relevant ministries	Facilitating meetings with stakeholders to enhance their engagement and ownership in the process	

<sup>5</sup> Other focus areas will be identified over the course of the project, along the lines of project implementation and needs as well as stakeholder engagement.

**OPERATIONAL PLANNING  
AND BUDGETING**

Capacity building on aligning budget with plans and objectives and targets

Developing operational plan

**MONITORING AND  
EVALUATION**

Defining a clear monitoring and evaluation framework with distribution of roles and assignment of timeframes

**EFFECTIVE  
COMMUNICATION**

Comprehensive communication strategy to outreach different segments and target audiences

**Short to Medium Term Economic Revival Plan for Lebanon**

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