

Data Sheet

USAID Mission:	Lebanon
Program Title:	Economic Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	268-001
Proposed FY 2004 Obligation:	\$400,000 DA; \$18,794,000 ESF
Prior Year Unobligated:	\$1,372,000 ESF
Proposed FY 2005 Obligation:	\$20,000,000 ESF
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2005

Summary: This program focuses on revitalizing Lebanon's economy and society which suffer from social disruption, and economic stagnation caused by a complex, dynamic and divisive web of political, confessional, cultural and regional interests. The program aims to rebuild the lives of rural Lebanese by targeting three key growth-oriented sectors that comprise 35% of Lebanon's GDP, namely agro-industry, information and communication technology (ICT) and tourism. The goal is to create jobs, increase full time employment, increase agricultural exports, improve the incomes and productivity of small business entrepreneurs and farmers, and increase the number of tourists and internet users. USAID is also helping Lebanon accede to the World Trade Organization (WTO) in order to encourage greater trade and investment and broad-based reform. USAID's program is helping landmine survivors have access to job opportunities as well as strengthening the American educational institutions by supporting their scholarship programs. Finally, it is providing humanitarian and economic assistance to indigenous groups by providing them with small grants to upgrade their administrative capacities and capabilities to continue serving the deprived and the needy in Lebanon.

Inputs, Outputs, Activities:

FY 2004 Program:

USAID/Lebanon plans to carry out the following activities:

-- Production and Marketing in Agriculture and Agri-business (\$9,000,000 ESF). Activities will focus on introducing new techniques in forage plantations (harvesting and packaging); supporting the flower industry (constructing a cooling facility), banana production (procuring packing unit for marketing), dairy industry (providing laboratory equipment), organic production (training and technical assistance to farmers), the cottage industries (rehabilitating women's food processing cooperative centers), the olive oil industry (marketing); and introducing the new herbs and spices industry. The prime implementing partners are the Cooperative Housing Foundation (CHF), Young Men's Christian Association (YMCA), World Vision, SRI International and Mercy Corps International (MCI). In addition, sub-contractors and sub-grantees include the Rene Moawad Foundation (RMF), the Hariri Foundation, Association d'Aide au Development Rural (ADR), the Lebanese Agriculture Research Institute (LARI), and the School of Agriculture at the American University of Beirut (AUB).

-- Tourism (\$3,000,000 ESF). USAID will fund construction and rehabilitation of tourist attractions in South Lebanon, including an agro-tourism park, a recreational center, World War II Interactive Museum, Dardara Lake tourist attraction, trekking on Mount Hermon, and an historic market. USAID funds will continue to be used to produce promotional materials, further develop an established tourism website, and produce road signs and markers, and other promotional activities to attract tourists. The target is to increase the number of tourists from 700,000 in FY 2003 to 900,000 in FY 2004. The implementing partners are CHF, YMCA, World Vision, SRI International and MCI.

-- ICT (\$2,000,000 ESF). These funds will be used to establish an additional nine Professional Computer Association Points of Presence centers and to promote local ICT industry exports to achieve 10% growth in the sector. The implementing partners are CHF, YMCA, World Vision, SRI International and MCI.

- Scholarships for American Educational Institutions (\$4,000,000 ESF). The scholarships will go to five institutions: the American University of Beirut (AUB), the Lebanese American University (LAU), the International College (IC), and the American Community School (ACS). Prior Year Funds will be distributed to AUB, LAU IC and ACS only.
- Indigenous NGOs (\$794,000 ESF, \$272,000 Prior Year Unobligated ESF). These funds will be used to support indigenous NGOs' humanitarian and income generating activities.
- Mine Action Program (\$400,000 DA). These funds will be used for ongoing activities, including mine awareness, landmines victims' impact survey, and victims' assistance. This program has become a model for demonstrating an effective and viable approach to addressing the needs of landmines survivors and disadvantaged people.

Other Activities (\$1,100,000 ESF Prior Year Unobligated). Section 1224 of the Foreign Relations Authorization Act of FY 2003 restricts the use of \$10 million in FY 2003 ESF for Lebanon. Should the FY 2003 funds become available before the end of FY 2004, their effective date of expiration, a portion of these funds (\$1.1 million) would be allocated to the American Education Institutions (AEI's) in Lebanon, consistent with the spirit of the language on AEIs in Lebanon contained in the Conference Report on Foreign Operations, Export Financing, and Related Programs Appropriations Act Fiscal Year 2003.

FY 2005 Program:

- Production and Marketing in Agriculture and Agri-business (\$11,00,000 ESF). USAID plans to continue support to the agro-business sector.
- Tourism (\$2,500,000 ESF). USAID will continue to fund tourism activities to boost visitors and economic growth.
- ICT (\$1,500,000 ESF). USAID will continue support for this important sector of the economy.
- Scholarships for American Educational Institutions (\$4,000,000 ESF). USAID plans to continue its support of the American educational institutions.
- Indigenous NGOs (\$500,000 ESF). These funds will be used to continue assisting local humanitarian organizations.
- Mine Action Program (\$500,000 ESF). Even though the Mine Action Program agreement ends in FY 2004, USAID plans to continue supporting mine action in Lebanon, as the USAID-funded mine action program is the only continuous, stable and efficient program currently in existence. The activity will continue its focus on prevention from landmine injury and support to landmine victims; however, no concrete program activities have been developed as yet.

Performance and Results: The initiation of the activities under the agribusiness, tourism and ICT sectors during FY 2003 has created a positive impact on the economy. Target beneficiaries have included farmers, restaurant owners, hotels, food and dairy processors as well as information technology companies, both locally and internationally. Linkages were established between farmers and processors, thus providing better open market opportunities for all. European governments and private U.S. foundations (e.g. Microsoft and Cisco Systems) have been keen on partnering with USAID and its partner NGOs, to such an extent that they have injected funds in support of USAID activities in order to expand the program to new geographical areas throughout Lebanon.

The victims' assistance activity under the Mine Action Program succeeded in initiating, sustaining, and expanding income generating programs and activities targeting more than 625 primary beneficiaries, cooperative members and their dependents. By the end of 2004, it is expected that landmine victims will each be generating additional income worth \$210 from the different trade and income generating activities they are involved in. The mine awareness program and data gathering campaign have resulted in a decrease in the frequency of landmine injuries from 90 in 2001 to 27 in 2003.

US Financing in Thousands of Dollars

Lebanon

268-001 Economic Development	DA	ESF
Through September 30, 2002		
Obligations	800	59,897
Expenditures	500	55,426
Unliquidated	300	4,471
Fiscal Year 2003		
Obligations	50	39,000
Expenditures	50	14,704
Through September 30, 2003		
Obligations	850	98,897
Expenditures	550	70,130
Unliquidated	300	28,767
Prior Year Unobligated Funds		
Obligations	0	1,372
Planned Fiscal Year 2004 NOA		
Obligations	400	18,794
Total Planned Fiscal Year 2004		
Obligations	400	20,166
Proposed Fiscal Year 2005 NOA		
Obligations	0	20,000
Future Obligations	0	30,000
Est. Total Cost	1,250	169,063