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THE LEBANESE TRANSPARENCY ASSOCIATION

NO CORRUPTION



NATIONAL INTEGRITY SYSTEM STUDY

LEBANON 2009

This document has been produced by Transparency International, in conjunction with the Lebanese Transparency Association





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Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through its national chapters worldwide and an international secretariat in Berlin, Germany, TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it.

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Promoting Transparency and Enhancing Integrity in the Arab region

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I
INTRODUCTORY INFORMATION

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Foreword

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In December 2007, the Lebanese Transparency Association (LTA) participated in the first regional meeting in Amman in the framework of the MABDA[1] project developed by Transparency International (TI). Since then, many deliverables have been achieved by LTA in the ultimate aim of promoting transparency and enhancing integrity in Lebanon and the region, towards which LTA has been directing efforts for 10 years now.

On behalf of LTA, and as a Member of the project's Steering Committee, I am pleased to present the National Integrity System (NIS) study that provides an assessment of institutions in Lebanon, an analysis of the causes and extent of corruption in each institution, and introduces recommendations for reform at a multi-stakeholder level. The NIS is a first step in the framework of MABDA, and will be followed by other initiatives that measure the effectiveness of anti-corruption efforts in Lebanon, such as a gap analysis around the United Nations Convention against Corruption (UNCAC). Each deliverable achieved in the framework of MABDA will contribute to the tailoring of strategic advocacy plans and a series of reform strategies for Lebanon.

On behalf of LTA, I would like to recognize the invaluable contributions of those who have participated in the development of the publication, as well as in the implementation of the overall MABDA project. I would like to first thank the team at TI who have on a daily basis followed up on the implementation of the project: Dr. Finn Heinrich, Senior Programme Coordinator of NIS studies, Nicolas Seris, Programme Coordinator, and Manuel Pirino, Assistant Programme Coordinator. I would also like to thank our colleagues from the Palestinian, Moroccan, and Egyptian chapters of TI. Special thanks go to all of the experts who have provided their valuable time and answered our questions during interviews, as well as the external reviewers, Dr. Reinoud Leenders, and our colleagues from TI-Palestine, and our internal reviewers, Dr. Said Issa and Atallah Salim. I would also like to thank my colleagues from LTA's Board who have provided a final review of the publication, especially Yahya Hakim, who has followed-up on a daily basis on the work of the team. Last but not least, I would like to acknowledge the tireless efforts of the team of researchers, authors, and coordinators Rabeh Ghadban, Lynne Ghossein, Dany Haddad, May Noureddine, Natacha Sarkis, and finally Gaelle Kibranian, LTA's Programmes Director, who has supervised and led the project's team.

1 *Measuring Anti-Corruption Efforts and Building Demand for National Integrity Systems in Egypt and the Arab World*

Acronyms

AmCham	American Lebanese Chamber of Commerce
AMIDEAST	America-Mideast Educational and Training Services
ARABOSAI	The Arab Group of Supreme Financial and Accounting Control Agencies
ARPAC	Arab Region Parliamentarians against Corruption
B2	Second Bureau
BI	Bureau of Information
BCC	Bank Control Commission
BSE	Beirut Stock Exchange
CCER	Civil Campaign for Electoral Reform
CdL	Casino du Liban
CG	Corporate Governance
CIB	Central Inspection Bureau
CLOE	Coalition Libanaise pour l'Observation des Elections
CoA	Courts of Accounts
CPI	Corruption Perceptions Index
CSO(s)	Civil Society Organization(s)
EdL	Electricité du Liban
EU	European Union
FATF	Financial Action Task Force
FIAS	Foreign Investment Advisory Service
FOEs	Family Owned Enterprises
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fund
INTOSAI	The International Organization of Supreme Financial Control Agencies
IREX	International Research and Exchanges Board
ISF	Internal Security Forces
LADE	Lebanese Association for Democratic Elections
LAF	Lebanese Armed Forces
LALAC	Lebanese Advocacy and Legal Advice Center
LCGTF	Lebanese Corporate Governance Task Force
LCPS	Lebanese Center for Policy Studies
LDM	Lebanon Development Marketplace
LebPAC	Lebanese Parliamentarians against Corruption
LYCAC	Lebanese Youth Coalition against Corruption
MABDA	Measuring Anti-Corruption Efforts and Building Demand for National Integrity Systems in Egypt and the Arab World
MEA	Middle East Airlines
MoET	Ministry of Economy and Trade
MoF	Ministry of Finance
MoIM	Ministry of Interior and Municipalities
MoU	Memorandum of Understanding
MP	Member of Parliament
NCCTs	Non-Countries or Territories
NGO(s)	Non Governmental Organization(s)
NIS	National Integrity System

OBI	Open Budget Index
OECD	Organization for Economic Co-operation and Development
OMSAR	Office of the Minister of State for Administrative Reform
RDCL	Rassemblement des Dirigeants et Chefs d'Entreprises Libanais
SAC	Supreme Audit Court
SCEC	Supervisory Commission on Electoral Campaign
SIC	Special Investigation Commission
SMEs	Small and Medium Enterprises
STL	Special Tribunal for Lebanon
TAG	Transparency and Accountability Grants
TI	Transparency International
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNIFIL	United Nations Interim Force in Lebanon
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund
YCSL	Youth Civil Society Leaders

II
ABOUT THE NIS COUNTRY STUDIES

What Is the NIS?

The National Integrity System encompasses the key institutions, sectors or specific activities (the 'pillars') that contribute to integrity, transparency and accountability in a society. When it functions properly, the NIS combats corruption as part of the larger struggle against w of power, malfeasance and misappropriation in all its forms. Strengthening the NIS is about promoting better governance across all aspects of society.

The concept of the NIS has been developed and promoted by Transparency International as part of TI's holistic approach to combating corruption. While there is no blueprint for an effective system to prevent corruption, there is a growing international consensus as to the salient institutional features that work best to prevent corruption and promote integrity. The NIS studies are based on an assessment of the quality of institutions relevant to the overall anti-corruption system.

Why Conduct NIS Studies?

The purpose of each NIS study is to assess the National Integrity System, in theory (law and regulatory provisions) and practice (how well it works). The studies provide both benchmarks for measuring further developments and a basis for comparison among a range of countries. Their findings can also serve as a pointer for areas requiring priority action or can form the basis from which stakeholders may assess existing anti-corruption initiatives. NIS studies help explain, for example, which pillars have been more successful and why, whether they are mutually supportive and what factors support or inhibit their effectiveness. They studies also assess where the emphasis should be placed on improving the system and what factors are required to support the overall development of the integrity system.

The studies create a sound empirical basis that adds to our understanding of strong or weak performers. Within a region, in which several countries may function with similar economic, political or social frameworks, the results of the study can create a sense of peer pressure for reform as well as an opportunity for learning from those countries that are in similar stages of development.
For Transparency International, NIS country studies are an important measurement tool. They complement TI's global indices and surveys, such as the Corruption Perceptions Index, Bribe Payers Index and Global Corruption Barometer, as well as national surveys, by exploring the specific practices and constraints within countries and providing qualitative empirical results about the rules and practices that govern integrity systems. More than 70 such studies have been completed as of September 2009.TI believes that it is necessary to understand the provision for and capacity of the integrity pillars, as well as their interaction and practices, to be able to diagnose corruption risks and develop strategies to counter those risks. The NIS country studies are a unique product of Transparency International, as they reflect the systemic approach TI takes to curbing corruption and the independence of analysis that can be offered by the world's leading anti-corruption NGO.

Methodology

The NIS studies offer a qualitative assessment of the integrity system in a country or region. They are based on both objective and subjective sources of data, which differ in quantity in each country or region evaluated. The studies therefore require both desk research and field research.

At least one focus group is convened as part of the country study. Focus group participants include anti-corruption and governance experts drawn from government (including donors, where relevant), the private sector, the professions (e.g. lawyers, accountants and engineers), media and civil society. The aim of the focus groups is for a broad base of stakeholders to evaluate the integrity system and to comment on the draft country study. The results of the meeting then inform further revision of the country study. In addition, each NIS study is reviewed by an external expert referee

III
EXECUTIVE SUMMARY

In Transparency International's 2008 Corruption Perceptions Index (CPI), Lebanon scored three out of 10 (on a scale from 0 "highly corrupt" to 10 "highly clean") and ranked 102nd among 180 countries considered. The score has been steady for the past two years and reflects the lack of reforms due to the political stalemate in the country. The low results on the 2008 CPI are clearly justified, as is evidenced in the country's National Integrity System (NIS) study. Although in theory, much of the framework for a Lebanese integrity system that provides the mechanisms to support a democratic government appears to exist (especially compared to Arab counterparts in the region), in practice, each of the reviewed integrity pillars faces significant challenges that threaten good governance. Indeed, two of the pillars in the NIS framework are still absent: the Ombudsman and a national anti-corruption agency.

Overall, the report finds that the weak relationship between citizens and the state has a negative impact on public accountability, separation of powers, the efficiency of public institutions and thereby weakens the integrity system as a whole. This lack of democratic participation and accountability processes is a direct result of Lebanon's political and economic past and the legal framework in which the Lebanese institutions operate.

The study further demonstrates that the lack of transparency, accountability, and integrity are endemic to the structure of the Lebanese political system. Lebanon is a consociational democracy, based on principles of power-sharing among the different confessional groups, as stipulated by the Taef Agreement which ended 15 years of civil war in 1989, and later reinstated by the 2008 Doha Agreement. This system of power-sharing has led to internal, regional, and international polarization and widely-known security problems including inter-communal violence and political assassinations.

At the same time, the dire economic situation has also impacted the functioning of the NIS. Since the end of the civil war, Lebanon's economy has relied on foreign aid and support for post-war reconstruction. This has resulted in USD 48 billion of debt, which greatly handicaps the way the country's institutions work with each other. Couple this with an underdeveloped legal framework, and it is not surprising that the integrity of Lebanon's institutions is significantly challenged. For example, while Lebanon ratified the UNCAC, many of the mechanisms required to ensure compliance with the convention are either dysfunctional or missing, including the absence of access to information legislation and a whistleblowers' protection law.

This review of the NIS in Lebanon, the first of its kind, highlights the country's many institutional weaknesses as well as its significant opportunities and various strengths. It demonstrates the need for a coherent approach towards strengthening the NIS, and calls for cooperation between all sectors and institutions to push for the establishment of the missing pillars. This report presents a holistic picture of the NIS in Lebanon and identifies key areas that need urgent reform to ensure the rule of law, sustainable development, and a better quality of life in Lebanon for all citizens.

IV
EVALUATION OF THE NATIONAL INTEGRITY SYSTEM (NIS)

Lebanon is a state built on a sectarian, power-sharing formula imposed on the country by international and regional powers. This fact runs through all aspects of the Lebanese NIS and has significant consequences, as outlined in the following review. First, a historical overview.

In 1943, following the declaration of Lebanese independence, President of Republic Bechara El Khoury and Prime Minister Riad El Soloh established a National Pact. The National Pact was an oral agreement that allowed the Muslim Sunni and the Christian Maronite communities a relatively large share of the political power.

In 1990, following the 15-year civil war, constitutional changes modified the existing power sharing formula. The Taef Agreement of 1989 sought to improve the status of the Prime Minister (from the Muslim Sunni community) and make the role of President of the Republic (from the Christian Maronite community) a more symbolic position. The international and regional brokerage of the Taef Agreement clearly involved international interference in the domestic political affairs and has been used as an argument by prominent political figures to explain the continued political unrest in the country. The fragile arrangement was more a grudging settlement than a peace building process and led to a perpetual internal crisis that culminated in the assassination of Prime Minister Rafic Hariri in 2005.

In order to limit sectarian intervention and to promote reform initiatives, the Taef agreement included Article 95, which called for a national commission for the abolishment of political sectarianism. In parallel, the parliament was supposed to be elected on a national basis, while the senate was supposed to represent the different religious communities. The Agreement provided for a non-religion based electoral law without indicating the size of electoral districts. The Taef agreement also highlighted social and economic reforms, including equal development opportunity, and administrative decentralization. Given the fact that the Taef agreement did not include the adoption of a national strategy against corruption for the public and the private sectors, corruption was rampant at all levels.

During the post Taef era (specifically from 1992 to 1998) the “Troika” power-sharing system prevailed and corruption continued to flourish. Within this system, the President of the Republic, Prime Minister, and Speaker of Parliament enjoyed tremendous power. “This troika system in Lebanon led to new bargains and political arrangements based on patronage networks, especially via appointments to official positions.” [2] Administrative, judicial, and senior political appointments were set out by the three political leaders, and the institutions played little role in the decision-making process. The NIS study shows that the political elites benefited from their spheres of influence. In the media sector, for example, prominent communal leaders were provided with broadcast licenses for TV and radio stations. And in public contracts, there were no formal or standardized procedures for bidding: contracts went to those with close ties to political power.

In May 2008 following an 18-month political crisis, the Muslim and Christian factions reached an agreement, brokered by regional Arab states, at the Doha summit. The newly-elected President of the Republic launched a roundtable dialogue among the various Lebanese faith groups to negotiate national issues.

This review covers the 17 pillars identified in TI’s NIS framework as key to promoting transparency, accountability, good governance and integrity. It gives special weight to the security pillar (as is also the case in the Palestine NIS review) given the precarious nature of the situation in the country. As noted above, of the 17 NIS pillars, two are not operational in Lebanon: the Ombudsman, and the National Anti-corruption agency.

2 *Kibranian, Gaelle. “Communal Corruption and Peace Building in Lebanon”, New Routes-Pilfering the Peace: The nexus between corruption and peace building. Life and Peace Institute: Tufts University. Vol.14, September 2009. p.20.*

The existing pillars in the Lebanese NIS study are still clearly influenced by the communal interests of the country and by the political instability. Political elites have always taken advantage of this situation, which has weakened the role of pillars.

Neither the reforms promoted by the Taef Agreement nor corruption-fighting initiatives at further levels have attempted to deal with corruption seriously. In 1994 the Office of the Minister of State for Administrative Reform (OMSAR) launched an initiative aimed at reforming public administrations by firing incompetent public servants. This was quickly abandoned because the targeted civil servants were closely linked to political figures. In addition, the Illicit Wealth Law that was supposed to monitor assets officials might have acquired through the misuse of public service, bribery, or illegal embezzlement was never properly implemented. In the private sector level, fighting corruption is not a priority. All attempts to address questions of corporate governance are personal and individual initiatives.

Syrian influence (from 1976-2005) in Lebanon clearly undermined attempts at political institutional reform. Continued Israeli aggression has also had negative consequences on political, economic, and social life.

Indeed, political unrest and security concerns have clearly paralyzed the Lebanese political system. In the two years before the 2008 Doha agreement, parliament did not convene on a regular basis. This delayed Lebanon's ratification of the United Nations Convention against Corruption (UNCAC) until October 2008, and has stalled the implementation of the UNCAC provisions, including the establishment of a National Anti Corruption agency and the Access to Information legislation. . In addition, from 2006 to 2009 no Public Budget law proposals were passed or implemented. This means that from 2006 onwards there has been no parliamentary or auditing authority oversight of revenue collection and expenditures. Top administrative civil service appointments, which are the responsibility of the executive branch, are also paralyzed until a confessional-based agreement among the different political factions is reached. The same applies for the head of both the Court of Accounts and the Judicial Inspection Agency. This clearly limits the performance of significant pillars. As a result of the conflict between the different religious communities, the country's key political institutions have become part of the conflict, and corruption has become institutionalized.

The NIS review in Lebanon points to an urgent need for a holistic review of all the pillars, and cooperation between all sectors and institutions. Lebanon must establish a national anti-corruption strategy that brings together all stakeholders, and promote secularism among Lebanese institutions. This will pave the way to ensure the rule of law, sustainable development, and a better quality of life in Lebanon, the fundamental goals of a National Integrity System.

V
PRIORITIES AND RECOMMENDATIONS

The following recommendations are all based on the review of the pillars studied in the framework of the Lebanese National Integrity System (NIS). As a result, they offer a realistic list of best practice policy options for anti-corruption stakeholders to implement. They represent general steps to be taken in Lebanon in order to guarantee further transparency, accountability, and integrity. And they look at sector-specific actions that would improve the daily management of institutions, and lead to the implementation or amendment of the current legal framework. The main reforms suggested can be summarized as follows:

General Recommendations

- Take all necessary measures to develop the appropriate mechanisms at the national level to implement the United Nations Convention against Corruption (UNCAC).
- Develop and implement the National Anti-Corruption Strategy, as stipulated in Article 5 of the UNCAC: "promote[s] the participation of society and reflect[s] the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability". This could be based on the National Strategy framework "Towards a National Dialogue on Corruption in Lebanon" that was developed and published in March 2009 by the United Nations Development Programme (UNDP) country office in Beirut in partnership with the Lebanese Transparency Association (LTA).
- Pass the Access to Information and whistle blower protection draft laws
- Implement Article 95 of the Lebanese Constitution that abolishes political sectarianism and ensures appointments at all levels are based on merit and not sectarianism.
- Adopt a non-confessional electoral law that provides for equal representation of all the population. The law should outline specific campaign finance regulations, introduce pre-printed ballots, and mandate the publication of all financial accounts, including bank statements, for elected officials and their families.
- Encourage education on anti-corruption principles especially for school students.
- Work with educational authorities to introduce good governance related principles in the civic education curriculum.
- Introduce a Conflict of Interest law to prohibit MP's from occupying ministerial positions in industries or sectors in which they have private interests.
- Institutionalize the dialogue between different political parties in a way that the interaction between communities is implemented through formal institutions rather than ad hoc round table discussions.
- Establish an independent National Anti-Corruption Commission as stipulated in Article 6 of the United Nations Convention Against Corruption (UNCAC).
- Implement Law No. 664/2005 providing for the establishment of an Ombudsman office.
- Revise the procedures of assets declaration as per the Illicit Wealth Law, in order to promote transparency and access to such information.
- Ensure the current laws are sufficiently robust to prosecute presidents and ministers before the Supreme Council.
- Amend the Penal code and the Money Laundering laws to adapt to changing circumstances and crimes.

Specific recommendations for each pillar,

The Executive:

- Develop by-laws for the Council of Ministers that clearly state the roles and responsibilities of administration officials including the Deputy Prime Minister as well as departmental Ministers.
- Adopt a Code of Conduct for Ministers that specifies, among other things, the rules and regulations governing the use of official resources.

- Conduct a survey of the public sector that lists all job descriptions and identifies roles of public servants. This should be carried out by the Office of Minister of State for Administrative Reform (OMSAR).
- Make OMSAR a separate Ministry with financial independence and its own public budget.
- Promote transparency in the budget process by publishing the budgets of all autonomous offices. All public budgets should adopt performance-based budgeting processes, and introduce of administrative classification.
- Empower the Civil Service Board to appoint Grade One Civil Servants instead of the leaving the appointments to the Council of Ministers. This will avoid patronage and conflict of interest.
- Promote cooperative frameworks between the executive authority and civil society organizations.

The Legislature:

- Streamline and amend parliamentary by-laws and promote public debates to ensure efficiency in the accountability system.
- Develop and adopt a Code of Conduct for MPs including guidelines on the use of state resources.
- Accelerate the legislative process by introducing an official timetabling process that MPs must adhere to when drafting and enacting laws.
- Strengthen financial oversight by establishing a budget office to help MPs understanding the public budget and the budgeting procedure. In addition, MPs should ensure that their actions conform to the Court of Accounts (Audit Court).
- Enhance the Human Resources at the Parliament by providing adequate salaries to parliamentary staff and by building their capacity through regular training sessions.
- Promote cooperative frameworks between the legislative authority and Civil Society Organizations (CSOs).
- Ensure MPs follow up on Petitions and Complaints procedures.

Political Parties:

- Draft a clear legal framework for the rules and regulations governing political parties and associations.
- Cancel any prior governmental control over the formation of political parties.
- Review the financial mechanisms of political parties.
- Implement anti-corruption mechanisms within the by-laws of Lebanese political parties.

Electoral Commission:

- The Supervisory Commission of the Electoral Campaign (SCEC) must become independent in order to ensure transparency and maintain its integrity.
- The SCEC Commissioners must start work far enough in advance of elections in order to be fully prepared.
- The SCEC's prerogatives must govern the administration of the elections, in addition to campaign finance and media regulations.
- The SCEC must publish all financial statements submitted by the candidates.
- The SCEC should be able to present complaints before the Constitutional Council.
- An Electoral Management Body should also be operational for both national and municipal elections.

Court of Accounts (Audit Court):

- The court's financial and administrative independence should be guaranteed through:
  - making the court's budget independent of the executive power, and
  - giving the court power to select and appoint its staff.
- Appoint experts (for example, engineers, doctors, pharmacists, and information technology specialists) to help conduct audits.
- Recruit personnel who can provide regular training on legal issues and auditing procedures.
- Enlarge the current audit's personnel to meet the institution's needs.

The Judiciary:

- Entrust the judiciary with the independent status, as stipulated in Article 20 of the constitution, by ensuring:
  - Financial independence: the judiciary's budget must be independent from the executive authority (i.e. Ministries of Justice, National Defense, the office of Prime Minister).
  - Administrative independence: judiciary appointments should be solely issued by the Supreme Judiciary Council and not by the Council of Ministers.
  - Organizational independence: the judiciary should be able to develop its own organizational decrees exempt from third party intervention.
- If the judiciary system is not given financial independence, then the salaries of judges should be increased, and the government should augment its contribution to "The Judiciary mutual funds" to provide more financial resources to judges.
- The Supreme Judicial Council should be the only body managing and regulating judicial affairs.
- Fill all vacant positions in the Judicial Inspection Agency.
- Carry out regular training/capacity building sessions especially on corruption.
- Elect, rather than appoint, members of the Supreme Judicial Council.
- The Supreme Judicial Council should make all judiciary appointments and transfers on the basis of merit.
- Enhance and modernize the court system to help judges achieve higher performance standards. For example, develop updated databases to ensure access to judicial information and records.
- Protect judges against physical threats.
- Increase the size of the grant for legal aid to make it a more effective tool for citizens.

Civil Service

- Implement e-governance within public administrations.
- Reduce the number of the civil servants.
- Approve allowances for civil servants.
- Enhance the resources of public administrations by increasing their share of the public budget.
- Ensure the independence of the regulatory bodies.
- Enhance, improve, and re-structure the Civil Service Board by:
  - Hiring qualified human resource managers capable of studying, analyzing, and suggesting reforms and policies.
  - Drafting a modern syllabus for examinations.
  - Revising, updating, and modernizing record keeping.
  - Making it possible to dismiss civil servants for corruption or malpractice, and
  - Improving personnel policies and regulations.

Law enforcement Agencies:

- Clarify the role of each branch within the security sector in order to have more efficient enforcement agencies.
- Limit dependence on sectarian security organizations by centralizing security in the hands of the state.
- Provide professional law enforcement training for the Internal Security Force members.

Public Contracting System:

- Modernize legislation related to public procurement and introduce conflict of interest regulations.
- Simplifying administrative procedures to help the citizens.
- Introduce e-governance procurement procedures that enhance transparency.
- Establishing strict oversight controls to ensure the public procurement system functions in accordance with international standards.
- Empower the supervisory institutions to take punitive actions in cases of corruption and malpractice.

Media:

- Develop codes of conduct and ethics for staff working in media institutions.
- Establish investigative journalism and reporting departments within media outlets. Train journalists in investigative journalism and reporting techniques. Encourage universities to include investigative journalism as part of their curriculum.
- Encourage the establishment of non-politically affiliated media institutions and amend the structure of existing ones to avoid conflict of interest.
- Amend the legal framework governing media institutions to enhance transparency and accountability, and include governance principles.

Civil Society:

- Civil Society Organizations (CSOs) should adopt better reporting mechanisms.
- CSO's should develop and adopt codes of ethics and governance principles.
- Lebanese CSOs should be disassociated from political parties, and religious figures.

Business Sector:

- There should be a separation of the functions and roles of the chairman, general director, and management in all companies, especially family owned businesses.
- Rules of conflict of interests should be drafted to prohibit wealthy businessmen assuming political positions.
- All companies in all sectors should adopt voluntary corporate governance principles.

Regional and Local Government:

- A new electoral law for municipal elections should be adopted before the 2010 municipal election that includes the introduction of pre-printed ballots to avoid vote buying.
- Further decentralization of authority should be extended to municipalities.
- Local authorities should assume control of planning and implementation to increase the decentralization process.

International Actors:

- International actors should be mandated to work with all Lebanese factions and confessional groups to the benefit of all, not just specific communities aligned to their home country interests.
- International actors should publish all records concerning the allocation of their funds and how they are used.
- Independent Lebanese auditors should review activities between local government authorities and international actors.

Security:

- Re-initiate the dialogue between the different Lebanese communities, especially on issues pertaining to security, including the possession of arms.

VI
COUNTRY PROFILE

The Lebanese Republic (Al Jumhuriyah al Lubnaniyah) was proclaimed independent on November 22, 1943, following 23 years of French Mandate. Lebanon, which occupies a total area of 10,452 sq. km., shares borders with Syria (North and East) and Israel (South). Beirut is the political capital of the country. Although, no official census has been conducted in Lebanon since 1932, it is believed that Lebanon is home to 3.5 to 4 million inhabitants, representing 17 recognized religious communities. The official languages of Lebanon are Arabic and French, but many languages including English and Armenian are widely spoken.

Until 1975, Lebanon was referred to as the Switzerland of the Middle East, the most democratic country among its Arab counterparts: it was a nation of services, the bridge between the East and the West. In the recent past, and in the post-independence period, Lebanon was subject to 15-years of civil (or uncivil) war from 1975-1990, deemed the most destructive war since World War II. During that period Lebanon was subject to Israeli invasions and occupation (which lasted in Southern Lebanon until 2000) and Syrian oversight and control, with Syrian troops deployed in Lebanon until April 2005. The conflict ended with the brokerage of the Taef Agreement, which introduced major amendments to the 1926 Constitution. The Agreement was followed by years of infrastructure reconstruction, and reforms at the political and economic levels. The Taef Agreement resulted in a rigid system of power-sharing among the communities which led to competition among them for state resources. From 2005 onwards as a result of polarization among the different communities, tensions resurged in the country resulting in a wave of political assassinations. In 2006 Lebanon entered a 34-day war with Israel, and in May 2008 Lebanon witnessed weeks of communal tensions among the different religious groups, which started in Beirut and quickly spread to the remaining parts of the country. Again, the country resorted to an internationally brokered peace agreement, known as the Doha Agreement, to bring back peace to the country and define the roles of the different parties.

Lebanon follows a Parliamentary System. The President is elected to a six-year term by secret ballot by a two-thirds majority by the National Assembly. The President is the head of state and, as noted in the Lebanese Constitution, is the symbol of the country's National Unity. The National Assembly, (Majils Alnuwab) is made up of 128 popularly elected members from 26 electoral districts, who serve a four-year term. The Prime Minister, who serves as the head of government, is designated by the President of the Republic in consultation with the Head of Parliament and Parliamentary consultations. The Prime Minister forms a Cabinet/ Council of Ministers in consultation with the National Assembly and the President. The Executive power is vested in the Council of Ministers, headed by the Prime Minister. By unwritten practice, and as a result of the National Covenant of 1943, the President is a Maronite Christian, the Prime Minister a Sunni Muslim, and the Speaker of the Parliament a Shiite Muslim.

Lebanon has a unique proportional representative political system based on confessional groups that stems directly from its diversity and its history of sectarian division. Parliament is divided into confessional groups and candidates are only tenuously connected to political parties. Each group has a certain number of allotted seats. The distribution of seats was formalized in the 2008 Election Law, and is based on the 1989 Taef Agreement, which divides seats equally among the country's Christian and Muslim communities. These seats are, in turn, divided among 17 religious groups. The current Parliament, formed following the June 7, 2009 Elections, includes among the 128 members, four women. Citizens may vote for any candidate they wish in their district regardless of the candidate's religion. Voters can also vote for as many candidates as there are seats available within the allotted confession.

Ballots are secret but not standardized or pre-printed. There is no quota for women in Lebanese elections. While there are numerous political parties, they are less important than in other democracies as representatives are chosen because of their local interest and confessional group.

The judicial system is a mix between civil law, Ottoman law, and canon law. However, the influence of the French mandate is strongest. There are four Courts of Cassation and a Constitutional Council that determines the constitutionality of laws.

The Supreme Council is responsible for deciding charges brought against the executive (either the Prime Minister or the president).
A State Consultative Council acts as Lebanon's administrative court. There is also a loose organization of Confessional courts, acting mostly as voluntary arbitration courts, which deal with marriages and inheritances, and other issues of personal status. Officially recognized heads of the various confessions have the right to consult with the Constitutional Council on matters affecting their communities that are subject to special law.

The Lebanese judges are appointed by the Council of Ministers which is tasked with making sure judges represent as many of Lebanon's confessional groups as possible. The Ministry of Justice is largely responsible for the budget and administration of the courts. The Ministry is also in charge of prosecution and investigation, which may lead to the Judiciary favoring the government's position. Some members of the Supreme Judicial Council are appointed by the Executive, and others are appointed by the Council itself. All appointees are judges. The result is that Lebanon's current judiciary is quasi-independent, and certainly more independent than previous incarnations.

Law enforcement and security in Lebanon is a grey area involving a confluence of actors that include state institutions, international actors and the resistance group, Hezbollah, which is also represented in government. Generally policing is done by the Internal Security Force (ISF), with the help of the Lebanese Armed Forces (LAF), which primarily serve to maintain internal stability and neutrality between Lebanon's different, and often violent, political and confessional groups.

Freedom of the press is guaranteed by Article 13 of the Constitution, and Lebanon enjoys more access to media than most countries in the region. There is diversity in Lebanese media institutions including more than 40 radio stations, more than 15 TV stations, and more than 15 daily newspapers with a circulation of 220,000 among them, and many other magazines and weekly newspapers, amounting to more than 50 print media outlets. Recently there has been an exponential growth in new media sources.

Censorship exists around security issues and the defamation of public figures, which has lead to stiff fines for some reporters. It is also important to note that practically all media institutions are owned by political figures/leaders, which calls into question the neutrality of sources. However, it can be stressed again, that Lebanon is ahead of almost any other regional country in the freedom of press, speech and expression. Lebanon also enjoys extensive freedom of association guaranteed through the 1909 law of associations, with allows people to register all kinds of organizations in the country.

The Gross Domestic Product (GDP) (at the official exchange rate) is USD 28.02 billion with a debt rate of 163.5 per cent totaling USD 45.8 billion. Lebanon has the third highest debt to GDP ratio in the world.[3] The growth rate in 2008 was seven per cent, an important increase after the negative growth rate of 2006 (-4.3 per cent). [4] Lebanon's economy mainly relies on services, industry, and agriculture,

3 *These figures reflect the economic situation in 2008 and are detailed in the CIA's World Factbook.*
4 *Ibid.*

but other sectors such as tourism, banking, and commerce are also dynamic. Finally, it is important to highlight the key role of the international community in Lebanon. Economically, Lebanon relies greatly on foreign aid and the donor community. In January 2007, and in the aftermath of the 34-days war against Israel, a donors' conference was organized, known as the Paris III conference, where approximately USD 8 billion were pledged to support the Lebanese economy and reconstruction process.

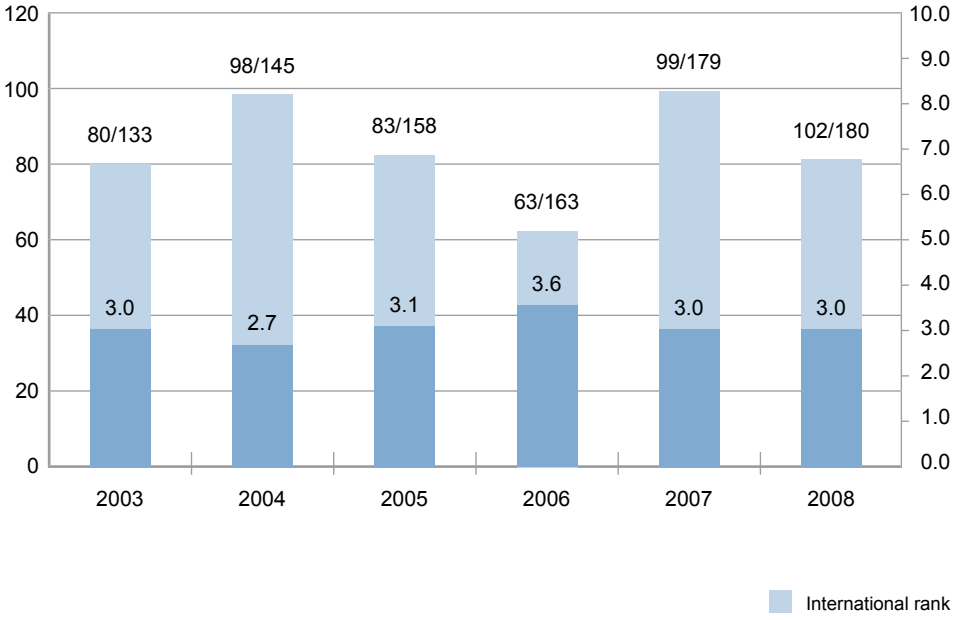
The political scene of Lebanon is also highly internationalized, resulting in the polarization of the major political actors according to their foreign affiliations. Both the Taef and the Doha Agreements were brokered by foreign powers, including regional powers such as Saudi Arabia, the State of Qatar, Syria, and the Arab League and international powers, including the United State of America and France.

The security sector is also internationalized, given the presence in Southern Lebanon of the United Nations Interim Forces in Lebanon (UNIFIL). Even, Lebanon's Judiciary has been internationalized with the establishment of the Special Tribunal for Lebanon (STL) in March 2006. Finally, Lebanon is a signatory of several international treaties and conventions, including the United Nations Convention against Corruption (UNCAC), ratified in October 2008.

VII
CORRUPTION PROFILE

Lebanon ranked 102nd out of 180 countries (11th out of 20 countries ranked in the Arab region) on the 2008 Corruption Perceptions Index (CPI), and scored of 3 out of 10. Lebanon's score has been stable for the past two years and no progress has been noted due primarily to the political stalemate the country is facing. Lebanon has also fared badly on other indices that measure transparency, accountability, access to information and other anti-corruption mechanisms. For example for 2006 and 2007 Lebanon's overall rating on TI's Global Integrity Index was "very weak". In 2007 Lebanon scored 45 out of 100, a poor score based on the weaknesses of the institutions reviewed. [5] On the 2008 Open Budget Index (OBI) that measures transparency in the national budget process, Lebanon scored 32 per cent. [6] Finally, on the World Bank's Worldwide Governance Indicators, published in July 2009, Lebanon received scores that clearly highlight increased corruption in the country. Lebanon is ranked 146th out of 212 countries in terms of government efficacy, 202nd in terms of political stability, 108th in terms of voice and accountability, and 167th in terms of corruption control, which is believed to be "the report's most perturbing data".[7]

CPI scores



Source: Transparency International (TI)

Corruption in Lebanon exists at all levels of society and state, and in its various forms including patronage, clientelism, vote-buying, and embezzlement. As is highlighted by the Lebanese Transparency Association (LTA) and the Country Office of the United Nations Development Programme (UNDP) in "Towards a National Anti-Corruption Strategy", the causes of corruption in Lebanon are "social, organizational, political, structural, and economic".[8]

5 *More information can be found on the Global Integrity website at: www.globalintegrity.org*
6 *//openbudgetindex.org/files/cs_lebanon.pdf*
7 *Galey, Patrick. "Lebanon's politicians get bad grades for governance: World Bank study shows country facing increased corruption", The Daily Star. July 10, 2009.*
8 *United Nations Development Programme and Lebanese Transparency Association. Towards a National Anti-Corruption Strategy. UNDP & LTA: Beirut. March 2009. Page 25.*

Among the major causes of corruption in Lebanon, are:[9]

- Historical distrust in public institutions: the power of sub-state actors – religious and family leaders for example – undermines state legitimacy. Even the very creation of the Lebanese state demonstrates of the power of 'unofficial' mechanisms governing civic life. The National Pact of 1943 created a custom of unwritten rules involving the most important of constitutional issues, which lessened the rule of law. Administrative boundaries were vague. This has persisted and there is a historical and cultural distrust of government because there is no participatory decision-making. Too often in the past the state itself (though mostly colonial powers) abused citizens. With a lack of trust in government, law, and the judicial process it is not surprising bribery and other forms of corruption occur on a regular basis. Corruption is a problem largely because it occurs outside official and transparent channels.
- The power-sharing formula based on confessionalism: the 1989 Taef Agreement (and later reinforced by the Doha Agreement of 2008), introduced a rigid power-sharing formula in Lebanon that divided power warlords, former militia leaders, and political figures who represent the different political and confessional communities of Lebanon. This system, though based on compromise, encouraged the different communities to compete for state resources and produced entrenched networks of patronage, where elites promoted and safeguarded the interests of their own communities. [10]
- Lack of awareness of corruption, its causes and consequences: citizens tend not to be aware of their rights. Corruption appears as the normal consequence of a redundant, large bureaucracy and is viewed as common practice in a citizen's dealings with the state. Bribery facilitates transactions that are often costly and time-consuming. Petty corruption exists in all areas of life for Lebanese citizens: for example, issuing a driving license, requesting a construction permit, finalizing customs transactions, and the list goes on.
- Instability: Lebanon has one of the most tumultuous histories in the world filled with clan warfare, civil war, foreign meddling, sectarian strife, and government failures. Trust in government is limited in the Lebanese civic psyche. One other by-product of prolonged and numerous wars, is the post-war reconstruction process which has resulted in a rise in corruption.
- Lack of legal structure and national mechanisms/instruments to fight corruption: in October 2008 Lebanon ratified the United Nations Convention against Corruption (UNCAC), the most comprehensive anti-corruption legislation to date. However, the country does not have all the necessary mechanism to implement the UNCAC. Lebanon lacks an access to information law and a whistleblowers' protection law, both deemed necessary to advance any anti-

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9 *For a more complete analysis of the causes of corruption refer to: Toufic K. Gaspard, A Political Economy of Lebanon, 1948-2002, The Limits of Laissez-faire, (Leiden-Boston: Brill Publishers, 2004./ Tom Pierre Najem, Lebanon's Renaissance. The Political Economy of Reconstruction, (Reading: Ithaca Press, 2000). /Michael Johnson, Class & Client in Beirut, The Sunni Muslim Community and the Lebanese State 1840-1985, (London: Ithaca Press, 1986)./ Albert Dagher, L'Administration Libanaise après 1990, Contribution au colloque sur "Le Modèle de l'Etat développemental et les défis pour le Liban", Beirut, 15-16 February 2002, at http://matisse.univ-paris1.fr/ID/dagher.pdf / . Mohammad F. Mattar, "On Corruption", in: Nawaf Salam (ed), Options for Lebanon, (London – New York: The Centre of Lebanese Studies, Oxford and I.B. Tauris, 2004) / Reinoud Leenders, "Nobody having too Much to Answer For: 'Laissez-Faire', Networks and Post-War Reconstruction in Lebanon", in: Steven Heydemann (ed), Networks of Privilege, The Politics of Economic Reform in the Middle East, (New York: Palgrave Macmillan, 2003), available on http://home.medewerker.uva.nl/r.e.c.leenders/index.html / Reinoud Leenders, "Public Means to Private Ends: State Building and Power in Post-War Lebanon", in: Eberhard Kienle (ed.), Politics From Above, Politics from Below: The Middle East in the Age of Economic Reform, (Saqi Books, 2003) / Reinoud Leenders, ""Lebanon's Political Economy: After Syria, an Economic Ta'if?", in MIT Electronic Journal of Middle East Studies, Vol. 6, Summer 2006. / Paul Kingston, "Patrons, Clients and Civil Society: A Case Study of Environmental Politics in Postwar Lebanon", in Arab Studies Quarterly, Vol. 23, No 1, Winter 2001. / Nizar Hamzeh, "Clientelism, Lebanon: Roots and Trends," Middle Eastern Studies, Vol. 37, No 3, July 2001./ 'Atalla, T., Taqniyyat at-Tazwir al-Intikhabi wa Sibul Mukafahatiha, (Beirut: 1996). / Bonne, E., Vie publique, patronage et clientèle: Rafic Hariri à Saida, (Paris/Beirut: 1995)/ Adwan, Charles. "Corruption in Reconstruction: The cost of 'National Consensus' in post war Lebanon", Corruption in Post War Reconstruction: Confronting the vicious cycle. LTA: Beirut. 2005/ United Nations Development Programme and Lebanese Transparency Association. Towards a National Anti-Corruption Strategy. UNDP & LTA: Beirut. March 2009/ Gebara, Khalil. Reconstruction Survey: The Political Economy of Corruption in Post-War Lebanon. Tiri: London; LTA: Beirut. 2007/ Kibranian, Gaelle. "Communal Corruption and Peace Building in Lebanon", New Routes-Pilfering the Peace: The nexus between corruption and peace building. Life and Peace Institute: Tufts University. Volume 14. September 2009. P. 20-21.*

10 *See, Kibranian, Gaelle. "Communal Corruption and Peace Building in Lebanon", New Routes-Pilfering the Peace: The nexus between corruption and peace building. Life and Peace Institute: Tufts University. Volume 14. September 2009. P. 20-21.*

corruption action strategy. Lebanon also lacks conflict of interest legislation, and much of the existing legislation that could prohibit corruption needs to be reformed, as argued below. As noted before, Lebanon also lacks two key anti-corruption pillars for a national integrity system: an Ombudsman and an Anti-corruption Commission.

Corruption in Lebanon affects all areas of life from petty demands to large-scale embezzlement.
For example:

Systemic clientelism

- The confessional system, through its outdated power-sharing formula based on the maintenance of the status-quo among confessional elites, is susceptible to civil strife in times of social mobilization. A shift in the communal balance among sub-groups can ignite deep sectarian loyalties. This in turn leads to violence as happened in 1958, 1975, and in 2008.

Failure of judiciary

- Police enforcement and court rulings are not always impartial. Recent investigations into politically-motivated assassinations have stalled or been prolonged, raising the scepter of corruption within the judicial process.

Electoral fraud

- The absence of pre-printed ballots opens the door to vote-buying and may aid in creating other types of electoral fraud.

Bribery

- Bribery is the most common form of corruption in Lebanon. Bureaucratic transactions are all facilitated through the payment of bribes, known as Bakhsheesh. For example, on top of the official fee, a replacement driving license requires a USD 7 bribe, car registration USD 27 and passport renewal almost USD 70. The baksheesh for a building permit for a residential house can cost more than USD 2,000. [11]

The impact of corruption in Lebanon is categorized as follows:

Political costs

- The main political cost of corruption in Lebanon is a loss of faith in the system and a failure of the rule of law. State legitimacy is threatened and for a country with as volatile a history as Lebanon, this is cause for concern. The wide income disparities that stem from corruption also add to potential instability creating rifts in an already fractured society. This is especially reinforced by the political power-sharing formula. It promotes the interests of certain political elites, which enter a rent-seeking game to push for the interests of their specific religious communities.

Financial costs

- There is a significant loss of foreign direct investment because of corruption and lack of transparency in Lebanon.
- Private companies as well as public utilities lose enormous amounts of money due to the lack of regulations and corporate governance.[12] This lessens the investment in infrastructure and impedes development. Lack of enforceable regulations makes tax collection difficult and thereby decreases state revenues. Government spending practices also add to the financial costs of

11 *Adwan, Charles and Zapatero, Mina. "Cutting through red tape in Lebanon", Global Corruption Report 2003. Transparency International: Berlin. 2003. Page 206.*

12 *See, Saidi, Nasser. Corporate Governance in MENA Countries: Improving transparency and disclosure. LTA: Beirut, October 2004.*

corruption in Lebanon. When contracts are awarded on the basis of cronyism and not to the cheapest/best bidder, the state is spending more than it has to. As a result, Lebanese debt hovered around USD 48 billion US Dollars in 2008 – hardly a sustainable level or one that reflects in the quality of state services.

Economic, Social, and other costs

- Corruption has resulted in a brain-drain, leading to rising levels of emigration because jobs are not awarded on merit rather connections. This is known as wasta in Lebanon and is increasingly felt among youth. Employment, whether in the private or public sectors, is based on the patronage networks present in all levels of state and society.
- Corruption also hurts the environment. For example, bribes are commonly used to buy permits for extraction quarries, without regard to environmental impact.

VIII
ANTI-CORRUPTION ACTIVITIES

Despite the fact that Lebanon has ratified the United Nations Convention against Corruption (UNCAC), a national anti-corruption strategy has never been developed by the Lebanese state, as will be demonstrated throughout the National Integrity System (NIS) report. Ministries and Members of Parliament (MPs) have introduced isolated and individual initiatives but there is no consolidated or unified anti-corruption plan that targets the national, regional and local levels. To compensate Civil Society Organizations (CSOs) and private sector organizations have taken the lead in promoting good governance, transparency, and accountability in Lebanon, with the support of the international donor community. This has picked up since 2005.

This section analyses the few anti-corruption projects initiated by Lebanese officials. It also focuses on a sample of anti-corruption projects initiated by CSOs, the Lebanese private sector, and highlights the role of international organizations and the donor community in such initiatives.

Official Anti-Corruption Activities

- *Office of the Minister of State for Administrative Reform (OMSAR):* A few years after the end of the civil war in Lebanon, the OMSAR was established to deal with all aspects of administrative reform and development. OMSAR has since launched several initiatives to fight corruption in Lebanon, including drafting anti-corruption laws such as a law for access to information, and another one to promote the establishment of an ombudsman in Lebanon (neither of which have been enacted). OMSAR, along with the United Nations Office on Drugs and Crime developed the Youth Charter against Corruption. The Charter, published in Arabic, French, and English clearly defines corruption, and provides youth with guidelines to identify and reject corruption. [13] Additionally, OMSAR published a Code of Conduct for Civil Servants in December 2001, which sets guidelines for ethical practices by public sector employees. This code is not a binding document, and its use has not been universalized in all institutions. Other initiatives by OMSAR also include a Citizens' Charter, structural reorganization of ministries, and simplification of administrative procedures. [14]
- *Partners in Transparency:* In October 2007, the Ministry of Finance (MoF) signed a Memorandum of Understanding (MoU) with the Lebanese Transparency Association (LTA), entitled "Partners in Transparency". In the framework of the MoU, the MoF commits to improve transparency, by abiding to principles of access to information, and facilitating public monitoring of decision-making and activities, as well as increasing responsiveness. LTA's role is to provide technical assistance to the MoF, and help the latter in disseminating information to the public. [15]
- *Special Investigation Committee (SIC):* The SIC was established as part of the Central Bank in order to investigate cases of money laundering in Lebanon. The SIC reviews cases of suspicious transactions by relevant Lebanese and international stakeholders.
- *Anti-Corruption Draft Law:* In November 2007, MP Robert Ghanem presented an extensive Anti-Corruption Draft Law to the Lebanese Parliament. The draft law tackles the fight against corruption in the public sector. The draft law is organized around two main issues. The first section, defines corruption and the second provides measures and guidelines to establish a National AntiCorruption Commission. [16] Given the political stalemate the country has been facing since 2005, the draft law was first discussed, debated, and approved

13 *The charter can be downloaded at: www.omsar.gov.lb/Cultures/en-US/Publications/Charters/Pages/Fighting%20corruption.aspx*

14 *United Nations Development Programme and Lebanese Transparency Association. Towards a National Anti-Corruption Strategy. UNDP & LTA: Beirut. March 2009. Page 10.*

15 *The signed MoU is available online at: www.finance.gov.lb/NR/rdonlyres/93A8C55D-B70A-4DBB-BF12-583890-AF3440/0/MOFLTA_SignedMOUOct252007.pdf*

16 *The details on the suggested National Anti-Corruption Commission are included on the section that addresses the National Anti-Corruption agencies.*

more than a year after its submission by the Legal Parliamentary Committee. Following the approval of the draft law by the Commission it was submitted to parliament for vote. To date the vote has not been scheduled.[17]

- *Lebanese Parliamentarians against Corruption (LebPAC):* LebPAC is the national chapter of the Global Organization of Parliamentarians against Corruption (GOPAC) and the Arab Region Parliamentarians against Corruption (ARPAC). Despite the fact that LebPAC is an organization, it is preferable to discuss it in the section of official initiatives as it brings together MPs. LebPAC represents the views of the various parliamentary blocs in Lebanon, and its membership is open to all political affiliations. As part of the regional movement it has been implementing national and regional anti-corruption initiatives. LebPAC promotes ARPAC's mission in the country. It has focused on promoting legal drafting and legal amendments to anti-corruption legislation, so as to push for the implementation of the UNCAC. LebPAC's main activities consist of developing parliamentary oversight tools, transparency in extractive industries and the budgetary process, as well as developing codes of ethics for MPs. As will be discussed in the following section, LebPAC is a founding and leading member of the National Network for the Right of Access to Information, and is the coordinator of the group's Legal Working Group.

Civil Society-led Anti-Corruption Activities

- *Lebanese Transparency Association (LTA):* As discussed in details in the section on CSOs, LTA is the first Lebanese NGO specifically aimed at fighting corruption in Lebanon. For the past 10 years, LTA has promoted a wide array of anti-corruption initiatives for the public sector, the private sector, youth, and for Lebanese citizens. LTA has been active at the national level but also in the Arab region. LTA is a decentralized organization and implements its anti-corruption projects throughout the country with the help of its Grassroots Department. Among the most influential LTA projects, is the Civic Education project for South Lebanon, the Campaign Finance Monitoring project in the 2009 Parliamentary Elections (a first in Lebanon and the Arab world), and the newly launched Lebanese Advocacy and Legal Advice Center, which reviews corruption cases and provides advice and guidance to victims of corruption. LTA has also developed codes and guidelines for the private sector including Small and Medium Enterprises, publicly listed companies, and Family-Owned Enterprises. LTA is/has also implementing/ed among others activities related to corruption in post-war reconstruction. This includes transparency in the budget process and greater openness and participation in the urban planning process. LTA also provides training on matters related to good governance, corporate governance, anti-corruption strategies and implementation of anti-corruption projects in Lebanon and the Arab region. [18]
- *The National Network for the Right of Access to Information:* In April 2008 the Lebanese National Network for the Right of Access to Information and Whistleblowers' Protection was established as an initiative of LTA, LebPAC, and the Association pour la Defense des Droits et des Libertés (ADDL), with the support of the American Bar Association's Rule of Law Initiative (ABA ROLI). The network encompasses 17 organizations and institutions (including Ministries, MPs, syndicates, and CSOs) committed to fight corruption and promote transparency and access to information in Lebanon. After a year of its establishment, and as a result of coordination between its legal and advocacy working groups, the network presented a draft access to information law to Parliament. The network is currently finalizing the work on whistleblowers' protection legislation.
- *Civil Campaign for Electoral Reform (CCER):* In 2005, the Lebanese Association for Democratic Elections (LADE), the Lebanese Center for Policy Studies (LCPS), and LTA established CCER, a network that brings together 58 CSOs with the aim of promoting reforms for free, fair, and transparent elections. As discussed in the section on Civil Society Organizations, CCER is considered

17 *Annahar, issue 23187, p.7, 21-11-2007.*
18 *For more information see, www.transparency-lebanon.org*

as a success story: its representatives attended meetings of the Parliamentary Commission, and the some of its suggested reforms were taken into consideration in the new Electoral Law.

Private Sector Activities

- *Code of Ethics:* The Lebanese Businessmen Association, better known through its French acronym RDCL, published in February 2004 a Code of Ethics that targets both Lebanese businessmen and employees in the private sector enterprises. The code is a voluntary tool, widely distributed by RDCL.[19]
- *Committee on Anti-Corruption:* The International Chamber of Commerce (ICC) in Lebanon has established among its committees an anti-corruption committee that focuses on corporate social responsibility issues.
- *Lebanon Corporate Governance Task Force (LCGTF):* LCGTF, established in November 2002 as an LTA initiative, brings together prominent representatives of business associations, public and private sector organizations, and CSOs. LCGTF is responsible for the promotion of corporate governance in Lebanon, focusing on awareness raising and adapting international practices to the Lebanese environment. The group also pushes for increasing the dialogue between the private and public sectors.
- *Better Business Values:* In 2009, the Better Business Group and the American Lebanese Chamber (AmCham) have launched the Better Business Values principles of business ethics to which individuals and companies can sign onto (not only members of AmCham). This initiative promotes among others corporate governance, corporate social responsibility, ethical standards, accountability and transparency, as well as equal employment opportunities.

International Organizations/Donor Community-led Activities

- *Transparency and Accountability Grants (TAG):* In March 2001 (running through December 2010), a cooperative agreement was agreed between USAID and the America-Mideast Educational and Training Services (AMIDEAST) in Lebanon launched the Transparency and Accountability Grants (TAGs). Through the TAGs, AMIDEAST aims at empowering CSOs in Lebanon to launch initiatives that curb corruption and promote transparency, reform, accountability, and good governance. The project has to date supported more than 130 local NGOs in the implementation of 145 projects. The projects include publications and studies, training sessions, conferences, and awareness campaigns. Recipients of the TAGs include CSOs such as LTA, the Lebanese Women Council, the Teachers' Union, the American Lebanese Chamber of Commerce, the American University of Beirut, and many others. [20] In total, TAG has provided more than USD 4.6 million to Lebanese CSOs, with a maximum of USD 50,000 per grant.
- *Lebanon Development Marketplace (LDM):* LDM is a World Bank initiative, implemented through a partnership with the United Nations Development Programme (UNDP), the British Embassy in Beirut, the United Nations Children's Fund (UNICEF) and LTA. The 2006 LDM focused on "Youth in Governance: Shaping the Future". In the framework of this project, and following a call for proposals and an extensive selection process, 13 Lebanese organizations were granted up to USD 20,000 US Dollars (in total the LDM projects' contributions were USD 230,000) to implement projects aimed at raising awareness about the indicators of good governance, the effects of corruption, and the importance of inclusiveness and accountability. The 13 organizations have very different missions, including promoting gender equality, the rights of the physical handicapped, and protecting the environment. [21] LTA, given its expertise in the field, was designated as supervisor of LDM 2006 on behalf of

19 *www.rdcl.org.lb/CodeofEthicsText.pdf*
20 *For a complete list of TAG recipients and a summary of projects refer to: www.amideast.org/offices/lebanon/programs_services/TAG/list_projects.htm*
21 *A complete list of LDM 2006 recipients can be found at: www.undp.org.lb/communication/news/NewsDetail.cfm?newsId=40*

the partners. All LDM 2006 projects were implemented by December 2007.

- *Towards a National Dialogue on Corruption in Lebanon:* In 2004 the United Nations Development Programme (UNDP) launched a project to curb corruption with a group of MPs, Ministers, and CSOs. Almost a year later, UNDP teamed up with LTA to implement a series of anti-corruption activities, targeting different stakeholders including youths and journalists. A book was developed for children between the ages of seven and 10 that tackle corruption-related topics in a child-friendly way. LTA and UNDP developed a training program to teach journalists investigative journalism techniques. A series of roundtables were held with CSOs, youth, and anti-corruption experts to gather their views on corruption in Lebanon. The results of these workshops, along with field research, were compiled in "Towards a National Anti-Corruption Strategy", which was presented by LTA and UNDP during National Anti-Corruption Conference on March 25, 2009.
- *Youth Civil Society Leaders (YCSL):* YCSL was launched in early 2008 by the International Research and Exchanges Board (IREX) and LTA. YCSL has provided technical skills training to more than 500 youths to help implement projects that promote transparency and good governance, as well as cross-communal. Following a selection process, 28 youth groups have been granted around USD 5,000 USD each to implement anti-corruption projects throughout the country. The projects are aimed at tackling corruption at the university level, within public administration, and at social levels within communities. In May 2009, YCSL launched the Lebanese Youth Coalition against Corruption (LYCAC) launched.

IX
THE NATIONAL INTEGRITY SYSTEM

1.
EXECUTIVE

Resources/ structures

The Executive power in Lebanon is divided among the President of the Republic, Prime Minister and the Council of Ministers. Article 53 of the Constitution stipulates that the President must designate the Prime Minister in consultation with the President of the Chamber of Deputies upon the outcome of parliamentary consultations[22]. The President presides over the Council of Ministers, whenever he is present, without participating in the voting procedure. Hence, the President of the Republic is said to enjoy some symbolic powers within the Executive authority.

On July 11, 2008, a new Cabinet was formed of 30 ministers. It comprised the Prime Minister, Deputy Prime Minister[23], 21 mandatory ministers, the Minister of State for Administrative Reform (OMSAR) and six Ministers of States including the Minister of State for Parliamentary Affairs.

The current ministries, as formed in July 2008, are: 1- Ministry of Justice, 2- Ministry of Foreign Affairs and Emigrants, 3- Ministry of Interior and Municipalities, 4- Ministry of Finance, 5- Ministry of Transportation and Public Works, 6- Ministry of National Defense, 7- Ministry of Education and Higher Education, 8- Ministry of Public Health, 9- Ministry of Economy and Trade, 10- Ministry of Agriculture, 11- Ministry of Telecommunications, 12-Ministry of Labor, 13- Ministry of Information, 14- Ministry of Energy and Water Resources, 15- Ministry of Tourism, 16- Ministry of Culture, 17- Ministry of Environment, 18- Ministry of Displaced Persons, 19- Mi-nistry of Youth and Sports, 20- Ministry of Social Affairs, and 21- Ministry of Industry.

By law, in April each year, Ministries are requested to prepare their own budget proposals, and must submit them to the Ministry of Finance (MoF) by the end of May. Between June and August, after receiving the draft budgets of the different administrations, MoF has to finalize the public budget and send it to the Cabinet for discussion and review. The Cabinet is supposed to receive the final draft, finalized by the MoF, in September. After discussing the draft and approving it, the Cabinet sends it to the Parliament. Under normal circumstance, the proposed budget is reviewed by the relevant parliamentary commissions and voted later on by the parliament during the ordinary legislative sessions, which starts on the first Tuesday following 15th October of each year[24]. It is to be noted also that before voting the budget proposal, the parliament has to approve the previous year's budget accounts.

For the past four years this has not happened. The budget proposals of 2006, 2007, 2008, and 2009 have not yet been voted on by parliament because of the recent political upheavals, which prevented parliament from convening. As a result, the Cabinet has had to compare all expenditures with the 2005 budget and most of the monthly expenditures have had to be treated as off-budget items. With no sitting parliament to discuss the budget and no Audit Court's control, there has been little transparency in the budget process.

22 *The candidate who receives the largest number of votes from Members of Parliament is designated as Prime Minister designate.*

23 *The Deputy Prime Minister is chosen among the ministers, after the Taef agreement in 1989 it became customary to choose the deputy prime minister from the Greek Orthodox community who acts in the absence of the Premier as acting Premier, without necessarily holding a portfolio per se. According to the Constitution, the Deputy Prime Minister is not given any particular responsibilities other than that of replacing the Prime Minister whenever he is absent. After the Doha agreement in 2008 and the formation of the government of national entente, a row burst between the Deputy Prime Minister who was from the opposition (8th of March) and the Prime Minister (who was from the majority (i.e. 14th of March) over the permanent responsibilities of the deputy prime minister and the place where he is supposed to be headquartered. The dispute is still unresolved.*

24 *These sessions are reserved for the discussion and voting on the budget before any other work.*

The budget prepared by the Cabinet includes the budgets of the Presidency of the Republic, the Parliament, and the Office of the Prime Minister, the Constitutional Council, and all the ministries in addition to the budgets of three out of 81 autonomous offices[25].

The budget is divided into two parts comprising a number of chapters each. Part 1 covers the administrative expenditures and wages and indemnities. Part 2 covers the expenditures and allocations for development. The chapters are also divided into those dealing with economic indicators and those covering functional indicators.

Because the budgets have been frozen since 2005, since then ministries have exceeded the budget limits because of the rising cost of oil and other goods and services. The Cabinet had use extraordinary credit lines, thus increased the treasury deficit. The government had to use the country's reserves to secure extraordinary lines of credits.

All decrees take effect after their publication in the Official Gazette and the expenditure is supposed to be monitored by the Audit Court. But since no budget has been approved by the Parliament since 2005, the Court of Account ceased to audit the public budgets from that fiscal year.

Role (s) of institution/ Relationship to other pillars

Article 65 of the Constitution gives the Council of Ministers independence and the right to:

- Monitor the execution of laws and regulations
- Appoint and dismiss Category One government civil servants
- Supervise the activities of all government entities and agencies
- Dismiss Parliament (upon the request of the President, under specific circumstances), and
- Decide on international conventions and treaties before passing them to Parliament for ratification.

According to article 64 of the Constitution, the Prime Minister selects ministries and, along with the President of the Republic, signs the decree forming the Cabinet. The confessional political system has complicated the process of selection and nomination of ministers because sectarian leaders continue to occupy powerful roles in the political life including senior so-called category one posts in the executive, legislative, and judiciary branches of the public administration. Section three of Article 95 of the Constitution stipulates that, "The confessional communities are to be represented in a just and equitable fashion in the formation of the Cabinet". Thus the seats of the Cabinet are divided equally between the two main communities: Muslims and Christians.

After the Taef agreement, cabinets were composed of 30 ministerial seats. Fifteen are allocated to the three major Muslim communities (Shia, Sunni and Druze). The other 15 are allocated to the major Christian communities (Maronite, Greek Orthodox, Greek Catholic, and Greek Orthodox Armenian) and the remaining Christian communities are represented by one minister who is supposed to represent minorities. It is important to note that this is not specified in the Lebanese Constitution, but rather it is a tacit covenant among the different communities.

25 *The three autonomous offices are the following: 1- State-owned telecoms concern, OGERO Telecom in the Ministry of Communication, 2- the Office of National Lottery (reporting to the Ministry of Finance) and 3- the Office of Cereals and Sugar Beet (reporting to the Ministry of Economy and Trade). There are 108 autonomous offices of which 81 are operational. Of these 81 entities, 70 are supposed to be monitored by the Ministry of Finance. The budgets of all public entities and agencies are supposed to be published annually. This has not been done for years. The remaining 11 agencies are not monitored by any control agency. There are no records or information pertaining to the remaining 27 offices.*

The Taef agreement specifies that the Council of Ministers is to appoint Category One public servants[26]. This often leads to stalemate. For example, on May 13th, 2009 the Council of Ministers failed to appoint three Category One civil servants, namely the governors of Beirut and Mount Lebanon and the General Director of Political Affairs in the Ministry of Interior, because the political parties could not reach a deal. This stalled the appointments and a vote on the budget. Category One public servants requires the vote of a two-thirds majority in the Council of Ministers, which is difficult to attain. This clearly illustrates the direct political interference in public sector appointments. Currently 35 out of 79 Category One posts are vacant, and those positions are not expected to be filled unless the rival parties reach an agreement on the political and confessional quotas[27].

Article 65 of the Lebanese Constitution stipulates that the Executive branch sets the general policy of all government activities, prepares bills and organizational decrees and takes the necessary actions to implement them. In this context, the Executive branch is responsible for launching and executing all reform projects, including anti-corruption legislation.

Although implementing reform plans should be the Cabinets' priority, due to the high level of debt[28] and corruption in the country, successive Cabinets formed after the end of the civil war in 1990, have not adopted a "National Strategy against Corruption". Rather, they have concentrated their efforts on the reconstruction of destroyed areas.

In theory once constituted the Cabinet should present a general policy statement that includes its plan to fight corruption. In fact, most Cabinet declarations have been purposely vague on this issue. For example, the 2008 ministerial declaration from the Cabinet, states that the "combating corruption and bribery in addition to establishing modern methods for accountability, and the need to follow up with officials in governmental department, should be the mechanism for evaluation based on performance."

In 1993, there was some hope that the executive branch would take the lead in fighting corruption when it created the Office of the Minister of State for Administrative Reform (OMSAR). As stated back then, OMSAR's goals included:[29]

- Ensuring efficient delivery of public services to all citizens
- Accelerating the recovery process
- Eliminating redundancies and waste in the civil service
- Combating corruption
- Integrating the latest technologies and methods of work

Unfortunately, OMSAR was never able to live up to these expectations. First and foremost this was because there was no political will or consensus among the different parties to conduct meaningful administrative reforms.

Over the years OMSAR has launched anti-corruption initiatives. These include the publication of a series of Citizens' Charters, a Code of Conduct for Civil Servants, a variety of draft laws, such as the Access to Information legislation, Job Classifications, ideas for the reorganization of certain ministries, suggestions to simplify certain administrative procedures, the Ombudsman draft law, and the Anti- Corruption Experts project[30]. Despite all the efforts to launch these initiatives they were buried in the drawers of the Prime Minister's office or Parliament. The current Minister of State for Administrative Reform, Mr. Ibrahim Chamesddine

26 *The Lebanese public servants are divided among five categories; Category One represents the highest level.*

27 *Racha Abou Zeki, "The new mechanism of appointment will not be voted", Al Akhbar newspaper, Friday April 3, 2009, cited in: www.al-akhbar.com/en/node/127513*

28 *By the end of the first quarter 2009, gross public debt registered LL 72,249 billion (US$ 47.93 billion). For more information on the Lebanese Debt Composition, please refer to: "DEBT AND DEBT MARKETS A Quarterly Bulletin", The Lebanese Ministry of Finance, Issue No. 8, Quarter I 2009.*

29 *Office of the Minister of State for Administrative Reform website. Cited in: http://msib.omsar.gov.lb/Cultures/en-US/About+OMSAR/History/*

30 *Antoun, Randa, "Towards a National Anti- Corruption Strategy", UNDP & LTA, Beirut, 2009, p.10*

described the problems faced by OMSAR as follows: [31]

- The issue of administrative reform is either treated with indifference or becomes a flash point for political rivalry primarily because of widespread confusion and a lack of internal political cohesion.
- The shortage in human resources in almost all the ministries makes it difficult to form teams capable of working on long-term projects.
- No follow up on plans and projects when ministers quit their office.

Secondly, the Special Investigation Commission (SIC) for money laundering was established in 2001 under the provision of Law No. 318 of April 20, 2001[32] as an independent legal entity with judicial status at Banque du Liban (Central Bank of Lebanon). The SIC investigates suspicious transactions, decides on the seriousness of the evidence, and has the exclusive right to lift banking secrecy, thus enabling the judicial authorities and the Higher Banking Commission to take the necessary measures[33].

In its 8th annual report for the year 2008, the SIC indicated that it had received 226 cases for investigation: 156 cases referred by local parties and 70 by external parties. The types of illegal activities were: 77 cases related to transferring money across borders, 37 cases of forgery, 14 cases of terrorism and terrorism financing, 11 cases of embezzling private funds, six cases of drug trafficking, five cases of embezzling public funds, to organized crimes complaints and 74 unspecified cases. In 2008, the parliament passed law No. 32 that expands the jurisdiction of the SIC to include lifting bank accounts secrecy and freezing the accounts of persons suspected of engagement in corruption operations[34].

Third, successive Cabinets formed since 2005, prepared a number of projected laws that were submitted to the parliament between 2005 and 2008. The following are considered of a reformist nature:[35]

- Amendment of appointment procedures for Category One public servants (sent to Parliament by decree No. 15118- date 9-9-2005)
- Amendment of certain provision of the public accounting law(sent to Parliament by decree No. 1606- date 18-1-2006)
- Creation of a directorate of human resources in the different directorates general of all ministries associated with the Civil Service Board (sent to Parliament by decree No. 1724, date 22-6-2006)
- Amendment of the legislative decree on the foundation of the Civil Service Board (sent to Parliament by decree No. 18055- date 9-11-2006)
- Projected law approving Lebanon joining the United Nations Convention against Corruption (UNCAC) (sent to the Parliament by decree No. 17451- date 15-7-2006)
- Establishment of Public Procurement directorate in every ministry (sent to Parliament by decree No. 973- date 24-11-2007)

In order to assess the extent of the reforms entailed by these draft laws, it is necessary to wait to see the final wording that comes out of the parliamentary commissions before they are sent for ratification by Parliament.
Up to now these draft laws have not been sent to Parliament and even if they had, the Executive needs to prepare the internal terms of reference decrees of these newly created administrative units before they can be implemented. For

31 *"HE. Minister Ibrahim Chamseddine lists the most important achievements of the Ministry of Administrative Reform under the current government", cited in: www.omsar.gov.lb/Cultures/en-US/Press%20Area/Minister%20Activities/Pages/MinistryAchievements.aspx .*

32 *This law criminalizes the laundering of proceeds from crimes such as: the growing, processing and trading of narcotic plants, organized crime, terrorist acts, and financing of terrorism, illegal arm trade, stealing or embezzling public or private funds or their appropriation by fraudulent means, and counterfeiting money or official documents, money or credit cards or checks.*

33 *Cited in: www.sic.gov.lb/overview.shtml*

34 *"Lebanon - 226 Cases of Money Laundering in 2008", Al Hayat newspaper, Thursday, April 02, 2009. For more information on the SIC report, please visit its website, the annual reports section, at: www.sic.gov.lb/reports.shtml*

35 *"Presidency of the Council of Ministers 3 years of achievements' report", July 2005 till July 2008, cited in: www.pcm.gov.lb/NR/rdonlyres/91F066AB-4D7C-4A3D-9F79-179AC3FE283E/0/3yearsAchievements.pdf*

example, on October 8 2008, Parliament agreed on Lebanon's signature to the United Nations Convention against Corruption (UNCAC). Since that date, the internal terms of reference decree has not been approved so implementation of the convention is stalled.

Accountability

The Lebanese system maintains a balance between Executive and legislative power, ensuring that Parliament can hold the Executive power accountable for its performance. At the beginning of its mandate, the Cabinet must present its general statement or policy to Parliament and obtain a vote of confidence within thirty days of the date of issuance of the decree that formed the Cabinet. It cannot act before the vote of confidence.[36]. In practice, since Lebanon's independence up until the Taef agreement in 1989, no government resigned as a result of a no-confidence vote by Parliament. This is not only limited to the vote of confidence on the formation of governments but also extends to any other issue of litigation. This matter is one of the main issues that tests the validity of the Lebanese system of separation of powers.

The Lebanese system also gives parliamentarians the right to question the government's actions by addressing verbal and written questions, interpellations, or calling for Special Parliamentary Investigatory Committees. These mechanisms, cited in the "Parliament Standing Orders" (from article 124 until 142), are used when a misuse of powers or any other governmental crisis occurs. Parliament can also table a motion of no confidence in the government. If this is upheld, the Cabinet should resign.

Between 2004 and 2006 some MPs used these tools to question the government's actions but most did not, primarily because they are part of the system running the executive, whether they belong to the majority or the minority. Therefore, it would be against their interests to vote against themselves or their colleagues in the cabinet. The table highlight on this fact:

Chart indicating the number of deputies using the questions and interpellations tools[36]

Number of questions and interpellations	Number of deputies/128	Year
11	8/128	2004
24	19/128	2005
12	14/128	2006
47	41/128	Total

In addition to the legislative power, there are three control agencies within the government to monitor the administrative and financial performance of the government. One of the three, the Central Inspection Board (CIB) has the right to "to insure that civil servants are performing their duties according to the rules and regulations of the Civil Service." This is achieved through the oversight inspectors who are selected according to the respective fields they are expected to cover (financial, administrative, educational, engineering, health, social and agricultural[37]). The CIB can recommend imposing sanctions on civil servants. This mechanism aims to achieve accountability within the Executive branch. The CIB, like the other oversight institutions, lacks the funding and the proper qualified human resources and incentives needed to attract well-trained staff in the different fields

36 *Article 64 of the Lebanese Constitution. cited in: www.lp.gov.lb*
37 *The Central Investigation Board Website. Cited in: www.cib.gov.lb/website.htm*

of specializations required in a modern public administration. Like the rest of the public sector, the average age of employees of the CIB, is over 60.

In Lebanon, as noted above, there is no access to information law so officials or public servants are under no obligation to hand out to citizens and Non-Governmental Organizations (NGOs) any document or information that they deem would be detrimental to the national interest. However, a few limited initiatives have been launched to inform the public about their rights and duties, as well as those of civil servants. For example, the "Institute of Finance" at the Ministry of Finance holds regular meetings with civil society organizations about the budget, fiscal policies and other financial operations in order to develop public awareness.

Integrity Mechanisms

There are no official codes of ethics standards for the members of the Executive branch. There are also no rules regulating conflicts of interest, for example that might limit the right of a minister to cumulate official posts and be an MP.

However, members of the Executive and Parliament are not allowed to receive gifts because this may compromise their integrity. According to article 351 and 352 of the Lebanese Penal Code Law, sanctions and imposes penalties of fines, amounting to double the value of the gift, and prison sentences up to three years on MPs and ministers if they accept gifts deemed to jeopardize national interests**.** However, members of the Executive have never been charged for receiving gifts.

Executive branch members are not prevented from owning companies or working in the private sectors while they are in office or after leaving political posts. In practice, the Lebanese political and business elite monopolize important positions within the legislative, executive and judiciary institutions. This has lead connected landlords, bankers, merchants, representatives of traditional families and professionals from the liberal professions (mainly lawyers), to enjoy access to state resources for private and commercial financing. For example, during the July-August 2006 Israeli war on Lebanon several businessmen contributed generously to rebuild bridges that were destroyed during the Israeli aggression. Most of these contributions went to projects in areas that happened to be fiefs of influence of the benefactors[38]. The money came from international, public and private sources and had to be approved by the legislature.

Transparency

On the 27th of November 1999, the Lebanese Parliament ratified the "Illicit Wealth Law" aimed at monitoring the assets and wealth of officials holding office and ensuring that they did not take advantage of their positions to mismanage and misuse public services, accept bribes, or accumulate wealth through illegal ways and means.

Article 4 of the aforementioned law stipulates that "Executive Members and Parliamentarians should declare their own assets and wealth, the assets and wealth of their dependents, on two occasions: within the first month of their appointment or election, and within three months upon departure from office". According to Article 5, these records should be submitted to the President of the Constitutional Council. However, the law does not clarify the procedures by which the President of the Constitutional Council can verify the legitimacy and authenticity of such declarations.

The public, in principal, can access the asset declarations records of Executive Members by requesting the information from the court, but the procedure is very costly and complex. Citizens have to pay a non-refundable fee of LBP 25 million

38 *Gebara Khalil, "Corporate Responsibility in a Polarized Society". Cited in: www.gopacnetwork.org/Docs/ARPAC/Corporate%20Social%20Responsibility%20in%20Lebanon%20Article%20EN.pdf*

(USD 17,000) (Article 10 of the Illicit Wealth Law). Up to now no such requests have been made. Furthermore, as there is whistleblower protection legislation,[39] citizens fear retaliation if they denounce powerful public figures.

The Executive decision-making process is governed by a number of laws and regulations. For instance, Article 2 of decree No. 2552 *"regulating the Executive power affairs"*, issued on 1-8-1992, stipulates that "for each case that needs to be submitted to the Cabinet, the minister should prepare a file composed of relevant documents and then deliver it to the secretariat of the Council of Ministers after obtaining the clearance from the Prime Minister to be added on the agenda so that copies of the file are circulated to other ministers". Only then can the Council of Ministers discuss the matter during the cabinet meeting.

Despite the reform made by the Ministry of Finance to enhance fiscal transparency, by calling for monthly and quarterly reports, and by making the budget available to the public via the Internet, the biggest obstacle to greater public awareness is its complexity for people who are not familiar with accounting procedures, and particularly public accounting. In addition, the budget is an incomplete picture of Lebanon's public finances. Eighty-one autonomous offices that are part of the state's public administration are not included. Only three autonomous entities are included in the budget: the Ministry of Communication with OGERO Telecom, the Office of the National Lottery and the Office of Cereals and Sugar Beet. In effect, the expenditures and revenues of most public administrations do not undergo scrutiny by control agencies, which pose additional challenges as to the overall transparency of the Executive branch.

Complaints/ enforcement mechanisms

Article 80 of the Constitution stipulates the establishment of a Supreme Council[40]. Its function is to try Presidents and Ministers. Since its independence in 1943, only two Ministers have been accuses of dereliction of duties in Lebanon. Both were cleared during the investigation phase and no charges were ever brought before the Supreme Council. To date, the Supreme Council has never been convened.

As mentioned above, no Cabinet has lost a vote of confidence and no sanctions have ever been placed on the Executive branch for misconduct. This lack of ability to hold the Executive to account is a result of a number of factors. These include:

- The complexities of Lebanese confessional system and the necessity to maintain consensus between the various communities.
- The conflict of interest between parliamentarians and their ability to simultaneously occupy ministerial positions. This right is outlined in Article 28 of the Constitution. Since the Taef agreement, 50 per cent of the ministers in the governments were also deputies. Ministers are, therefore, confident that they are not going to be subject to any prosecution or vote of no confidence by their fellow MPs. It should also be noted that Ministers who are also deputies are part of parliamentary blocs who protect them. The higher the number of deputies within the government, the greater the influence parliamentary blocs have over the Executive. Governments, therefore, are mini-parliamentary councils where Ministers represent and protect their colleagues in the government.
- There is indirect immunity granted by Article 70 of the Lebanese Constitution that protects Ministers from prosecution[41]. It states: "The chamber of deputies has the right to impeach the prime minister and ministers for high treason or for serious neglect of their duties". However, the decision to impeach can only

39 *The Lebanese Transparency Association (LTA) as a member of the National Network for the Right of Access to Information has been working on a draft law for whistleblower protection that will be submitted to the parliament before the end of 2009. For more information please refer to : www.a2ilebanon.net*

40 *The Supreme Council is a political court. It is an independent judiciary branch as stated in Article 80 of the National Constitution. It is made up of seven deputies, elected by MPs , and of eight high court judges.*

41 *The Constitution does not mention any immunity for ministers*

be taken by a majority of two-thirds of the total membership of the chamber and given the confessional blocs this is considered very difficult to attain. The ministers' situation differs from MPs, who are granted immunity from court for the opinions they express and the ideas they promote.[42]

42 *Article 39 and 40 of the constitution. Cited in: www.parliament.gov.lb/doustour/default.htm*

2.
LEGISLATURE

Resources/ Structures

The Lebanese national legislature is vested in the Parliament. It is a unicameral body elected for a four-year term. Following the Taef Agreement in 1989, Parliament's 128 seats are allocated equally between Christians and Muslims.

In reference to Article 20 of the Parliament bylaws, MPs are divided among 16 permanent legislative committees:

1 Committee of Budget and Finance: 17 members
2 Committee of Administration and Justice: 17 members
3 Committee of Foreign Affairs and Immigrants: 17 members
4 Committee of Public Works, Transportation, Energy and Water: 17 members
5 Committee of Education and Culture: 12 members
6 Committee of Public Health, Labor, and Social Affairs: 12 members
7 Committee of National Defense, Interior, and Municipalities: 17 members
8 Committee of Displaced: 12 members
9 Committee of Agriculture and Tourism: 12 members
10 Committee of Environment: 12 members
11 Committee of National Economy, Trade, Industry and Planning: 12 members
12 Committee of Media and Telecommunications: 12 members
13 Committee of Youth and Sports: 12 members
14 Committee of Human Rights: 12 members
15 Committee of Children and Women: 12 members
16 Committee of Information Technology: 9 members

No parliamentarian can join more than two listed committees except for the Human Rights, Information and Technology, Women and Children committees. Article 19 of the by-laws specifies that elections to these committees be carried out by secret ballot. When two deputies receive an equal number of votes, the older deputy wins the position.

Parliament follows the same budgetary mechanism applied to Ministries and is governed by the Public Accountability Law. Articles 121, 122, and 123 of the by-laws specify a separate office that is in charge of drafting the parliament's budget and overseeing its execution. Budge items must be signed by the President of Chamber or his Vice President, along with one of the two secretaries and an employee. At the end of the fiscal year, the Parliament's Presidency reports to the Ministry of Finance the list of disbursed credits stamped by the President or Vice President. The parliament is composed of two main administrations: the Office of the Secretary General and the Office of the General Inspector. These two administrations are divided into different subdivisions with a total of 337 employees, according to decision No. 934 taken on 12th December 2005 by the Speaker of the chamber. Staffing levels are high and the level of competency varies greatly. Salaries are relatively low and similar to those of the public sector, which has led to an exodus of talent to the private sector[43].

Role(s) of institution/ Relationship to other pillars

Lebanon is a parliamentary republic whereby legislative authority is considered to be the decisive but not ultimate power since the Lebanese Constitution implies the concept of separation of powers. In this context, Parliament is the genesis of power-base building. In theory, it gives the Lebanese Legislature power of oversight and monitoring over the Executive authority.

The Government is accountable to the Legislature. However, this does not mean that the Executive authority is undermined. On the contrary, the Executive has its own checks and balances system within the governmental administration itself, as highlighted in the Executive pillar. In theory, the interaction between the Legislature and the Government is supposed to promote integrity and good governance. Mechanism for this exist: legislative committees study and review governmental draft laws, hold periodic meetings between the President of Republic, the

43 *Sleiman, Issam, "Lebanese Parliament", Arab Rule of Law, Beirut, 2007.*

President of the Chamber, the Prime Minister, and periodic legislative sessions (extraordinary ones could be called as well whenever it is deemed necessary).

Despite this numerous academics, scholars and civil society organizations have suggested ways to improve the efficiency of the crafting and implementation of laws and regulations. However, the Constitution does not give citizens and NGOs the right to participate in the process of drafting or in public affairs management. NGOs, such as the Civil Campaign for Electoral Reform (CCER)[44], have lobbied to introduce reforms in the newly voted Electoral Law (Law No. 25/ 2008 amended by virtue of Law No. 59/2008). In this case, the CCER was successful in establishing itself as an observer in the parliamentary committee on Justice and Administration, which was responsible of reviewing the draft electoral law. CCER's representative offered technical advice and information on every reform issue[45]. Civil society has also been granted the right to monitor elections in 2009 for the first time, as stipulated in Article 20 of the Electoral law.

The Lebanese Constitution requires approval by the legislative of every law. All public expenditures must be voted on by the chamber before it is promulgated.

According to Article 115 of the by-laws, during budget discussions, the legislative is empowered to cancel or decrease the suggested financial provisions stated in the budget. Budgets can be increased by MPs, provided they obtain the government's approval (Article 19 of Public Account Law) in discussions in the Finance Committee and in the parliament's general assembly (article 114, Parliament by-laws). This happens rarely.

Article 116 of the chamber's by-laws stipulates that voting on the budget draft law is supposed to be done on every article. At the end of the budget discussions, Parliament is required to demonstrate its approval by ratifying it. Only after the parliament finishes discussing the draft law can the legislative body issue a draft law for extra expenditures (off-budget expenditure).

The legislature is not the only oversight body, which controls the public expenditures. Article 87 of the Constitution established the Court of Account (COA). The COA is an administrative court, with financial and judicial functions, responsible for watching over public funds and those deposited in the treasury. More specifically, the Court is responsible for checking the use of public funds and its compliance with existing laws and regulations as well as for prosecuting all government employees accused of violating laws and regulations governing the administration of public funds[46]. It issues "Statements of Conformity Report" to provide the Parliament with information on revenue collection and Executive branch expenditures.

As stipulated in Article 53 of the Constitution, international conventions do not enter into force unless approved by parliament. On October 8, 2008, the parliament agreed on Lebanon's adherence to the UNCAC.

In the past few years MPs and legislative committees have drafted several laws aimed at improving integrity in Lebanese public life. These have been submitted to the general assembly but as yet have not been ratified. They include:

- Legislation to modify Parliament's oversight by-laws. This proposal aims at improving the mechanism such as questions and interpellations tools to increase debate and introduces additional general assembly sessions to allow more time for public discussion.

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44 The CCER was launched in 2006. It is a coalition of Lebanese civil society organizations led by the Lebanese Transparency Association (LTA), the Lebanese Center for Policy Studies (LCPS), and the Lebanese Association for Democratic Elections (LADE) calling for serious electoral reform in Lebanon.

45 Khoury Doreen, "Lebanon's election law: a cup half full, 10 October 2008, cited in: www.ccerlebanon.org/inpress.asp?id=80

46 The Lebanese Court of Account Website. Cited in: www.coa.gov.lb/Templates/InsideTemplate_en.aspx?PostingId=295

- Legislation to modify certain provisions of the law on the procedures of the prosecution and the trial of Presidents and Ministers before the Supreme Council. The existing law, for example, does not impose a deadline on the legislative committee investigations.
- Anti–corruption legislation in the public sector to prevent the misuse of public institutions and give citizens access to public services. The proposed law calls for a "The National Committee for fighting Corruption", to promote integrity and transparency of public institutions.
- The Access to Information draft law, which was developed by the legal working group of the "National Network for the Right of Access to Information". This was introduced to parliament on April 9, 2009 by the MPs and members of the Lebanese Parliamentarians against Corruption (LEBPAC).[47]

Accountability

The constitutional modifications approved at the Taef agreement in 1989 strengthened the position of the Parliament and introduced more accountability into the system.[48].

The Executive branch can dismiss Parliament when asked to by the President of the Republic but it has never exercised this prerogative even during the recent political turmoil from 2006-2008. This is primarily because the Constitution is ambiguous. Article 65 stipulates that the Council of Ministers "dissolves the Chamber of Deputies upon the request of the President of the Republic if the Chamber of Deputies, for no compelling reasons, fails to meet during one of its regular periods and fails to meet throughout two successive extraordinary periods, each longer than one month, or if the Chamber returns an annual budget plan with the aim or paralyzing the Government". In practice, this never happens.

The Parliament must submit the following reports on its activities to its own administrative office called the Parliamentary bureau: 1- Minutes of all legislative meetings 2- Agendas of the sessions 3- All draft projects, proposals, and reports 24 hours before a legislative session is to convene.

Article 19 of the Constitution established the Constitutional Council to examine the constitutionality of laws issued by Parliament, and adjudicate conflicts that arise during and after parliamentary elections.

In 2000, various candidates submitted appeals to the Constitutional Council regarding the parliamentary elections. In 2002, the Council modified one election result that led to the nomination of a new deputy.

The continuing political conflict since 2005 has had an impact on most of the political institutions, including the Constitutional Council, which has been suspended for the past three years and therefore review appeals the large number of appeals lodged after the 2005 elections. In 2009, a new Constitutional Council was established to review contested results in the aftermath of the 2009 parliamentary elections.

Chapter 8 of the Parliament's by-laws, entitled "Petitions and Complaints", allows citizens to lodge complaints, including cases of corruption, directly with the Parliament administrative office. This office either rejects them or puts them on the agenda for discussion by the general assembly. However, in practice the Parliamentary bureau has taken to presenting a summary of petitions and complaints rather than detailing accusations. As a result, citizens stopped sending their complaints to the parliament and found it more effective to report directly to MPs[49].

47 *Cited in: www.a2ilebanon.org/*

48 *Dr. Fares Sassine, "Lebanon: Parliament's Role in a struggle for Legality, National Reconciliation, Reform and Liberation", UNDP Initiative on Parliaments Crisis, Prevention and Recovery, April 2006, P 25. Cited in: www.arabparliaments.org/publications/legislature/2005/conflict/lebanon-e.pdf.*

49 *Attallah, Tony, "National Study on the Representative Role of the Lebanese Parliament" (Arabic Language), UNDP &*

Integrity mechanisms

There is no official code of conduct for MPs or any anti-corruption provisions governing Parliament. Article 75 of the parliament by-laws lists the cases where deputies can be blocked from speaking. For example, the President of the Chamber can stop a speech if the MP uses abusive language against political parties, other fellow parliamentarians, legislative committees, or parliamentary blocs. Parliamentarians and member of the Executive are subject to the same regulations concerning conflict of interest as mentioned in the Executive section. Parliament carries out is work behind closed doors and there is no provision to allow interest groups or lobbyists to interfere in the proceedings of the chamber.

Transparency

The "Illicit Wealth Law" described in the Executive section, is applicable to both MPs and the Executive. They must declare their own assets and wealth, and the assets and wealth of their dependents within the first month in office, and within three months of leaving office. According to Article 5, these records should be submitted to the President of the Constitutional Council. However, the law does not clarify the procedures by which the President of the Constitutional Council can verify the authenticity of such declarations. Recently a new ministerial committee was formed to look into drafting a tighter more efficient illicit wealth law. This committee may abolish the LBP 25 Million (USD 17,000) upfront fee now required to lodge any complaint against an official or an MP[50].

Like all Ministries, the parliamentary bureau submits estimated expenditures to the Ministry of Finance. The annual public budget includes that of the Parliament. Among the different legislative committees, there is the committee of Finance and Budget. The role of this committee is to manage all accounting issues, and to examine related draft laws. Parliamentary committees usually issue press releases informing the public on the topics being discussed in the committees' meetings. However, these releases have few details of the discussions and debates. The public will need an Access to Information law in order to be well-informed of Parliamentary actions

Complaints/ enforcement mechanisms

MPs are protected by Parliamentary immunity (Chapter 13 of the parliament's by-laws). In the post-Taef era only two MPs have been accused of corruption (in 1994 and 1999) primarily because lifting an MPs immunity is complicated and time consuming. According to Article 92 of the by-laws, the Speaker of the Chamber has to receive a request from the Minister of Justice to lift immunity on a deputy. The file is then examined by the Parliament's bureau and the Committee of Administration and Justice, which must hold joint meetings and report to the presidency of Parliament who then submits the request to Parliament for a vote, which must return a proportional majority.

The lack of whistleblower protection laws also prevents citizens from reporting on political corruption in the legislature or other sections of government.

POGAR, 2008, cited in: www.pogar.org/publications/legislature/2008/studies/sum-representation-leb-a.pdf.

50 *Albalad newspaper, 19 May, 2009, issue no. 1883.*

3.
POLITICAL PARTIES

Resources/structure

With nearly a hundred political parties in Lebanon, twenty of which are considered active, Lebanon's political scene can be said to be representative of the diverse community. Despite the culture of authoritarianism and the political instability, Lebanon is often thought to be the only Arab democracy in the Middle East. With an active parliament, free elections, free press, free civil society, and a glistening capital, it is easy to believe this to be the case, given the authoritarian regimes in power in neighboring Syria and in Egypt. Looking at Lebanon through the prism of the NIS pillars, however, it is a different picture. Lebanon is a difficult country to understand as things are always changing both internally and externally. Home to eighteen different sects, Lebanon has managed to live through times of relative stability even with the deep social cleavages and political differences present within its society. Conversely, Lebanon has also seen substantial periods of conflict, both civil and regionally induced, that have tested the delicately arranged political system that relies on a balance of power amongst communal leaders, based on the power-sharing formula established in the aftermath of the civil war. This system of building communal representation into a structure of government is known as consociational democracy. Lebanon's complicated political reality is personified by the numerous political parties listed below, which reflect the country's diverse political tendencies and confessional groups.

Table 1: **Political Parties in Lebanon**

Political Party/Group	Leader	Communal Representation
National Liberal Party (NLP)	Dory Chamoun	Christian
Kata'ib	Amine Gemayel	Christian
Progressive Socialist Party (PSP)	Walid Jumblatt	Druze
National Bloc Party (NB)	Carlos Edde	Christian
Amal Movement	Nabih Berri	Shiite
Hezbollah	Hassan Nasrallah	Shitte
Future Movement	Sa'ad Hariri	Sunni
Lebanese Forces (LF)	Samir Geagea	Christian
Free Patriotic Movement	Michael Aoun	Christian
Lebanese Democratic Party	Talal Aslan	Druze
Democratic Left Movement	Elias Atallah	Non-Confessional
Democratic Renewal	Nasib Lahoud	Non-Confessional
Syrian Socialist National Party (SSNP)	Assaad Herdane	Multi-confessional
Lebanese Communist Party	Farouk Dahrouj	Non-Confessional
Ba'ath Party	Fayez Chocor	Non-Confessional
Tashnag	Hovig Mikhitarian	Armenian
Hanchag	Sebouh Kalbakian	Armenian
Ramgavar	Hagop Pakradounian	Armenian

Table 2: Major Political Blocs in the 2005 Parliamentary Elections

Political Party/Bloc	Number of Seats
Future Movement Bloc (March 14)	33
Bloc of Resistance (Hezbollah) (March 8)	14
Liberation and Development Bloc (Amal) (March 8)	15
Free Patriotic Movement Bloc (March 8)	14
Progressive Socialist Party Bloc (March 14)	18

Table 3: The Parties and Blocs in the 2009 Parliament[51]

Political Party/Bloc	Number of Seats
Future Movement Bloc (March 14)	29 Deputies
Lebanese Forces (March 14)	5 Deputies
Kataeb (March 14)	5 Deputies
Democratic Gathering Bloc (March 14)	11 Deputies
Democratic Left (March 14)	1 Deputy
Ramgavar (March 14)	1 Deputy
Jamaa (March 14)	1 Deputy
Henshag (March 14)	2 Deputies
National Liberal (March 14)	1 Deputy
March 14 – Affiliated Independents	15 Deputies
Liberation and Development Bloc (March 8)	13 Deputies
Free Patriotic Mouvement (March 8)	19 Deputies
Loyalty to the Resistance Bloc (March 8)	13 Deputies
Tashnags (March 8)	2 Deputies
Marada Bloc (March 8)	4 Deputies
Syrian Socialist National Party (March 8)	2 Deputies
Lebanese Democratic Party (March 8)	2 Deputies
Baathists (March 8)	2 Deputies

The confessional system is dependent on bargains and alliances between elites because personal precedence and sectoral protection are the paramount concerns for zu'ama (leaders), rather than common issues of general concern. Confessional political parties (Phalangist, Progressive Socialist Party, the Lebanese Forces, Amal, Hezbollah), as opposed to "transnational parties," which generally have more comprehensive platforms, have decreased the legitimacy of the state. Political parties can only hope to wield indirect influence as the system as a whole is built on a delicate formula, which does not allow one community to dominate the other.

The funding of political parties differs from one group to the other. There are no limitations on donations or any formal rules that govern party funding. Expenditures are also not monitored by the government. Although political parties primarily spend money on their own party financing and social development in their communities, outflows, in times of elections, can stretch to include vote buying.

51 *http://nowlebanon.com/NewsArticleDetails.aspx?ID=97943*

Public funding for political parties is not discussed or supported in Lebanon for several reasons:

- The size of the budget deficit (currently 40 per cent)
- Some parties are unwilling to reveal their funding sources (especially those who receive significant international funding), and
- The lack of a functional taxpayer culture makes the implementation of a public funding system difficult.

Politicians and society need to reject the idea of corruption that is seen as endemic in Lebanese politics before there can be any meaningful discussion of public funding reform legislation.

In addition to financial resources, international support gives the advantage to dominant parties. For example, the smallest parties in Lebanon are non-sectarian parties because they cannot gain popularity with a communal platform. The reflection of interest groups and sectarian interests bolsters a party's popularity and some Lebanese do not believe that truly secular parties even exist. Regardless of the outcome of this debate, financial and media resources are largely in the hands of the more conservative and well-established dominant parties, prompting many to believe that the status quo favors conservative groups.[52]

Role of institutions

The role of political parties as pillars of the National Integrity System (NIS) is to represent social interests in the political arena through maintaining a stable government. In Lebanon, however, political stagnation and instability is the norm. Cabinet changes occur frequently and positions are held for as little as two days. The approximate "life span" for a cabinet minister is 7.6 months. This "institutional weakness" provides a kind of ad hoc stability in the short run, but because there are no consistent governments and policies, long-term issues including, equitable socio-economic reform, and the provision of security are neglected.

Regardless of the size of the electoral districts, political elites manage to build coalitions that ensure their predominance. Citizens, therefore, cannot depend on the central government to protect them; rather they have to rely on communal political leaders. This lack of political socialization, as suggested by Khoury, is one of the most important challenges within Lebanon: in this kind of political structure, it is very difficult to merge contesting political values into a uniform political orientation.[53] As a result, cross-cutting political socialization is unlikely to occur until the majority of the elite and the policy makers decide that the gains from political socialization outweigh the losses. In this context, the state and its institutions are limited in their ability to represent a collective peoples' interest.

Today, Lebanon's political reality is increasingly divisive. Two major political blocs have developed with opposite visions for the future of the state, consolidating power through coalitions known as the March 14th and the March 8th movements. These political blocs have different international allies: the March 8th coalition is known to be close to the Syrian and Iranian regimes, whereas the March 14th coalition is affiliated to American/Saudi and Western regimes. Differences between the two blocs also pertain to internal Lebanese affairs, including the social, economic, security, and political agendas.

This political division is rooted in the events of 2005 when the late Prime Minister Rafic Hariri was assassinated, and reached its most dangerous point of discord with violent demonstrations on the streets of Beirut in May 2008. In addition, the political coalitions often make it difficult to differentiate between political parties

52 *Chantal Sarkis Hanna and Karma Ekmekji – Boladian, "Public funding solutions for Political Parties in Muslim- Majority Societies", International Foundation for Electoral Systems and IFES, page 10.*

53 *Khoury, Enver M. "The Crisis in the Lebanese System." American Enterprise Institute for Public Policy Research, Washington D.C. (1976)*

and government institutions. Each of the groups have been effective in developing support within their respective communities by providing social services, assisting in the rebuilding process after the 2006 war with Israel, and monopolizing media to their advantage which leaves little voice for the central government.

Accountability

Political parties in Lebanon are currently governed by the 1909 Ottoman Law of Associations. With no explicit restrictions on the assembly of associations for political parties, freedom of assembly is left unchecked unmonitored. In the Lebanese Constitution, article 13 guarantees "freedom in association … within the limits established by law." These laws, however, remain underdeveloped, but there is a growing call for and consensus on the need to reform the political party law in Lebanon. The procedures for elections, for example, are not defined in detail by the legislation. Until the adoption of the 2008 Electoral Law No. 25, there were no stipulations on campaign financing regulations or ceilings on spending in the Lebanese electoral process. This law was first applied in the framework of the 2009 Parliamentary Elections that took place on June 7th.

Judicial supervision over the expenditure of public funds is regulated by the Audit Court. It is responsible for both administrative and judicial functions, but is restricted to prosecuting public employees accused of violating the law, leaving political parties free to do what they want without fear of prosecution.

Exploitation of state resources by political leaders is also susceptible to nepotism as there is no conflict of interest legislation. Government positions are often not allocated on merit, but rather because of confessional alliances. Political parties' leaders can often own their own media outlets, including newspapers and television networks. This enables them to monopolize airtime and advance their agenda through marketing and media campaigns. The new electoral law of 2008, however, put some regulations on the exploitation of state resources during the campaign period. For example, public and official venues and all universities, schools, and houses of worship may not be used for any electoral event/publicity. Civil servants and employees of public institutions may not use their resources to favor any candidate or list (Article 71). Additionally, Chapter 6 of the Electoral Law is entirely dedicated to media and advertising regulations, a first for Lebanon[54].

Integrity Mechanisms and Transparency

In terms of transparency mechanisms, some political parties have listed in their electoral or party programs mechanisms to fight corruption. For instance, both the Future Movement and the Free Patriotic Movement have introduced a series of steps based on transparency principles that are supposed to improve Lebanese public administration.

As for the internal operations of political parties, they vary from one group to the other. Most parties use a democratic process to elect their leaders and in their decision-making. This is generally true for positions that deal with youth, social development, and media relations. Even the positions of Vice President, Financial Officers, and Deputies of political parties, are often chosen by the members of the political party through democratic elections. The position of Secretary General or President of the organization is almost unanimously agreed upon by consensus at the top in all major political parties within Lebanon. If democratic elections do take place, they are done without opposing candidates, and are more of a litmus test as most candidates generally win approval ratings of 90 per cent or better. In addition, many heads of party positions are traditionally inherited, and are passed down to family members.

54 *Republic of Lebanon, Parliamentary Elections Law, 2008*

This precedent of family dynasties controlling political parties shows that basic measures of internal mechanisms of good governance are lacking. This lack of adherence to democratic principles and integrity trickles down to the political system at large. Citizens understand that the most prominent decision makers in Lebanon, who hold a monopoly on the country's future political direction, are essentially accountable to no one.

However, to assess transparency and integrity mechanisms in the framework of political parties and how these operate during general rather than internal party elections, it is necessary to take a detailed look at the electoral process and subsequent vote buying activities.

In 2008 Lebanon introduced a law that now holds candidates who represent political parties and run for elections accountable to a set of electoral procedures:[55] Candidates must open an electoral campaign account that is not subject to bank secrecy, i.e. it is open to public scrutiny, and all electoral contributions and expenses must be made through his account. Furthermore, each candidate must name an auditor, and all transactions above LBP 1 million (USD 665) must be done through checks (Article 55).

- Candidates can use their own and/or family money for their campaigns. However, their sources of funding must be from "Lebanese natural or legal persons". Any donation in cash or in-kind gift or subscription offered to the candidate, shall be considered a contribution to electoral funding. (Article 56).
- A fixed rate of expenditure has been set at LBP 150 million (USD 99,750). The Cabinet of Ministers will decide an additional variable amount that can be spent by a candidate, which will depend on the number of voters in the district of the candidate (Article 57).
- Financial donations and in kind assistance to individuals or groups of any kind are prohibited during campaign period. However, grants are allowed if they began at least three years before the electoral campaign (Article 59).
- Candidates who intentionally breach the finance provisions shall be sentenced to up to six months in prison in addition to a monetary fine of between LBP 50 million (USD 33,000) and LBP 100 million (USD 66,000). The commission's report can be added to the election challenge file of a candidate who is alleged to have breached the financial provisions. (Article 62).[56]

Article 62 of the Electoral Law outlines the enforcement measures to ensure transparency. Most of the winning candidates and candidates from major political parties submitted their campaign finance reports to the Supervisory Committee on the Electoral Campaign (SCEC) by the July 7, 2009 deadline

However, even with these progressive measures, vote buying remains rampant primarily because there are no pre-printed ballots and this undermines the reputation for integrity of political parties. In practice the SCEC operates under the auspices of the Ministry of Interior and Municipalities (MoIM) to ensure that the regulations of the elections are upheld. Political parties pay prominent local citizens, known as electoral keys,[57] large amounts to secure the votes of the whole family. The same electoral keys or party delegates provide marked ballots to their family members and pay them to post them in the ballot box. There are many ways to mark a ballot as any piece of paper is considered to be a ballot: some candidates choose a specific font, thicker paper, or grid paper. When polling stations close, party representatives remain inside the stations to observe the vote counting process, and check whether the distributed marked ballots were inserted. The absence of pre-printed ballots makes vote-buying easier. The lack of an independent enforcement mechanism is a significant weakness that challenges the implementation of effective political finance regulations and ballot stuffing.

55 *It is noteworthy mentioning that the 2008 Electoral law is based on individual candidates and not political parties.*
56 *Republic of Lebanon, Parliamentary Elections Law, 2008*
57 *Electoral keys are individuals within local communities, normally chosen because of their stature as prominent members of influential families that are paid to secure votes in their district for a particular candidate.*

Relationship to Other Pillars

Many areas in the relationship between political parties and other pillars introduced within the NIS study for Lebanon seem to be interlinked. The 1909 Ottoman Law of Associations regulates political parties and civil society organizations in Lebanon. Many political parties also have branches that run economic, social, cultural, and philanthropic activities and they use these to promote the interests of the party. At the same time political parties own media outlets and use them to publicize political agendas. Finally, many political party leaders own the largest businesses of the country, and exploit the political scenes for private gain. These links between political parties and other NIS pillars reinforces the need for legislation to regulate conflict of interests in the country.

4.
ELECTORAL MANAGEMENT BODY

In the past, conducting an overview of the Electoral Management Body would have been almost impossible. In September 2008, however, the Lebanese Parliament passed Parliamentary Elections Law No. 25, which established the Supervisory Commission for Electoral Campaign (SCEC). The SCEC is responsible for supervising the electoral campaign in terms of media monitoring, and campaign finance monitoring in accordance with the guidelines stipulated by the law. However, the Ministry of Interior and Municipalities (MoIM) is the institution in charge of the general elections' administration. Previous electoral laws did not include media regulations or campaign finance regulations. Before the 2009 elections, the MoIM used to be the only entity entirely responsible for the electoral process. More than 17 articles of the new electoral law pertain to the SCEC, with Chapter three entirely dedicated to its mandate, structure, and deliverables. Taking all of these factors into account, it is impossible to conduct a complete analysis of the Electoral Management Body in Lebanon, and assess its achievement in a holistic fashion.

The initiative to establish the SCEC was welcomed by many local and international institutions. However, many called for it to be an independent organization and not under the auspices of the MoIM. Despite such shortcomings, the SCEC is considered as a good first step toward reform of the Lebanese electoral system.

According to Article 19 of the Parliamentary Electoral Law, the SCEC is responsible of:

- Receiving the requests of the private printed and audiovisual media wishing to participate in the paid electoral advertising pursuant to the provisions of this law.
- Supervising the compliance of lists, candidates, and mass media with the rules and regulations governing electoral competition pursuant to the provision of this law.
- Supervising electoral spending pursuant to the provisions of this law.
- Receiving the financial statements of the electoral campaigns of lists and candidates within one month of polling day, and auditing them.
- Drawing up a report on the Commission's activities for the Minister in charge of MoIM, who then submits it to the President of the Republic, Cabinet and Parliament. The report has to be published in the official gazette.

Although candidates are required to submit exhaustive statements of account to the SCEC, the law does not require the SCEC to publish these. Additionally, and despite the fact that the law requires the SCEC to publish its report in the official gazette, the report does not necessarily include the candidates' financial reports.

Resources/structure

The SCEC is made up of 10 commissioners assisted by a technical team. In total, the SCEC recruited 45 media monitors and 10 administrative staff to work on the 2009 elections. Their respective salaries are covered by the Lebanese treasury, as is the case with the commissioners. The European Union (EU) donated funds to the MoIM to refurbish and equip the SCEC headquarters, which used to be the library of the Lebanese University. Even though the SCEC is in charge of monitoring campaign finance and media, in the framework of the 2009 parliamentary elections, in practice it only used monitors to regularly observe the newspapers, the TV and radio station

As outlined above, one of the SCEC's main mandates is to regulate and monitor campaign finance. Chapter Five of the 2009 parliamentary election law addresses campaign finance regulations. It limits cash spending to below LBP 1 million (USD 665) and mandates recordkeeping for donations and a final statement of account, including all electoral expenses, that must be submitted to the SCEC along with all supporting documents.

The SCEC regulations are one area where Lebanon complies with the United Nations Convention Against Corruption (UNCAC), which it ratified in October 2008. Article 7.3 of UNCAC requires that each State Party takes appropriate legislative and administrative measures, consistent with the objectives of the Convention and in accordance with the fundamental principles of domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.

Role(s) of institution/sector as pillar of NIS

The SCEC works under the auspices of the Minister of Interior and Municipalities (MoIM), which supervises its work, and can, attend its meetings. Although the Minister chairs its meetings, he has no voting rights. The Minister must however approve its by-laws. The SCEC only supervises media and campaign finance. The MoIM is responsible for the elections administration.

The SCEC is made up of ten members, who were appointed by the Council of Ministers on December 13, 2008. The President of the SCEC is a former judge from the Court of Cassation, its Vice-President is a former judge from the State Council, one member is a former judge from the National Audit Office, two members are from Bar Associations, two of its other members are media experts and three are elections experts. The President of the SCEC was nominated by the Higher Judicial Council and appointed by the Council of Ministers. SCEC members receive monthly remuneration from the State. Seven commissioners are retired public officials, so once they conclude their responsibilities in December 2009 they will not return to work.

The confessional structure of Lebanese politics applies to the SCEC. Its members are made up of the different confessional groups prompting a local newspaper to write, on December 15, 2008, that the cabinet has transformed the formation of the SCEC into a confessional and geographic issue[58], except that the SCEC does not have enough positions to represent all the different faiths. The Minister of Economy and Trade, who is from Northern Lebanon, was quoted as saying he was unsatisfied with its composition because none of the members is from Tripoli or represents the Sunni confession of Tripoli[59]. The same article also noted that one of the names suggested by the MoIM was removed due to political considerations and that a new member was imposed on the commission due to a political settlement, and not elected as he should have been according to the law[60].

By August 2009, the SCEC had published three reports on media monitoring. The reports analyze the coverage of each media institution (print and audiovisual) and highlight violations to ensure a balanced coverage of candidates. The reports made no reference to any internal or external corruption problems.

Accountability

Many articles in the 2009 parliamentary election law focus on the responsibilities and duties of the SCEC. Prior to and during the campaign period the SCEC issued several decrees and circulars to clarify ambiguous articles in the election law concerning campaign finance and media monitoring. The SCEC must report to the MoIM, the President of the Republic, and the Council of Ministers. The SCEC is not required to consult the public.

For the first time, the electoral law provided civil society with the right to monitor elections. Article 20 of the 2009 Parliamentary Elections Law states that:

58 *As-Safir, 15/12/2008-issue 11174*
59 *Ibid*
60 *Ibid*

"Competent civil society organizations may accompany and observe the elections provided that they fulfill the following conditions:

- The organization should be Lebanese, non-political and non-profit, having duly lodged its articles of incorporation at least three years before the request filling date.
- It should neither be connected to any political side or party nor have any candidate running for elections in its administration board."

Since 1996, the Lebanese Association for Democratic Elections (LADE) has been observing elections. LADE leads the *Coalition Libannaise pour l'Observation des Elections (CLOE)* a coalition of 54 NGOs and eight universities. CLOE started monitoring elections in 2005. During the 2009 Parliamentary elections, LADE monitored elections, specifically the media regulations. LADE recruited more than 2,500 monitors on the day of the elections to observe violations.

The Lebanese Transparency Association (LTA) monitored campaign finance during the 2009 Parliamentary elections. LTA started its monitoring activities in September 2008 in order to ensure that the electoral process was administered in accordance with democratic principles that advocate good governance. LTA believes that successful elections require a monitoring process that is independent and objective: a mechanism that is capable of enforcing electoral laws and regulations. LTA developed a multi-level campaign finance monitoring methodology. It recruited 79 volunteer monitors to conduct activities in the 26 Lebanese Electoral Districts. The work of the team of volunteers was complemented and supervised by regional coordinators, as well as a team of executive, management, analytical, and monitoring experts at headquarters. . LTA also established an Advisory Board made up of international and local experts to provide advice and technical assistance. More specifically, LTA's monitoring activities focused on the following: publicity, rallies and public events, routine campaign expenses, distribution of benefits to voters, and abuse of official resources. LTA tracked ministerial activities through a daily review of the Lebanese press to monitor political bias and detect any patterns of abuse. LTA also worked with its 79 monitors and other organizations monitoring the elections to document and verify any claims of abuse of official resources.

In addition to local observers, international observer missions were also deployed including teams from the European Commission, the Carter Center, the National Democratic Institute (NDI), and the Arab League. Article 20 of the 2009 Parliamentary Elections Law states that: "The Ministry shall be in charge of studying the requests of election-related international organizations wishing to participate in accompanying the electoral process pursuant to conditions specified by the Ministry in due time."

The MoIM developed a code of conduct for the local and international observers which they had to agree to in order to obtain monitoring permits.

Integrity mechanisms

Many issues stand in the way of properly functioning integrity mechanisms in Lebanon.

First, there are no conflict of interest regulations. However, Lebanon must work towards this in order to comply with the UNCAC, which it signed in October 2008.

Vote buying is a systematic problem in Lebanon whether through cash donation or in-kind service provisions. It was prevalent in the 1996 elections and was not restricted to voters. Candidates were also bribed to withdraw or bribed to choose one list over another.

In the 2009 election, LTA monitors witnessed vote buying through cash donations on Elections Day in many electoral districts. LTA issued a press statement the day after elections stating the following:
"Acts of vote-buying occurred in Metn, Zahle, Batroun, Zghorta, West Bekaa and Saida. The value of a vote varied from USD 60 to USD 100 in Saida, USD 800 in Zahle, up to USD 3,000 USD in Zghorta."[61]

Transparency

Despite the fact that disclosure is not required by the law, the MoIM has created a website for the 2009 elections[62]. This website is used to publish all decisions, reports and decrees whether produced by the SCEC or by the MoIM. In addition, all of the decisions, decrees and reports were also widely disseminated and published in media outlets.

Complaints/enforcement mechanisms

As highlighted in Article 62 of the electoral law, candidates who do not submit financial reports will be subject to sanctions. These include, as noted above, up to six months in prison and fines ranging from LBP 50 million (USD 33,333) to LBP 100 million (USD 66,666). The law does not stipulation what organisation should implement the punishments. However, in August 2009, the SCEC undertook to press charges against candidates who did not submit financial reports.

The candidates also lodged 19 complaints with the Constitutional Council for review. These included a complaint against the Sunni political party, March 8th charging that Sunni voters who recently received their Lebanese nationality were moved to Zahle in order to increase the number of Sunni voters in the district[63].

Relationship to other pillars

The 2009 parliamentary election law was implemented for the first time in June 2009, and introduced a number of new reforms and regulations. Candidates were treated as individuals under the law, rather than as political parties. This made them personally responsible for compliance. The SCEC provided advice throughout the election to ensure candidates understood the law, particularly with regard to reporting campaign finances.

LTA held several interviews with representatives of political parties and candidates' campaign managers during which the latter shared with LTA their opinion about the SCEC. Political parties had several questions related to reporting the financial statement. Political parties also referred to the SCEC when it came to clarifications concerning different sections of the law. All political parties interviewed were keen to have the SCEC make financial statements available to the Lebanese public.

61 *LTA's preliminary statement on Campaign Finance Monitoring*
62 *www.elections.gov.lb*
63 *As-Safir,18/08/2009-issue 11372*

5.
THE LEBANESE COURT OF ACCOUNT

Resources/structure

The Court of Account (COA) is an administrative court, with financial and judicial functions, responsible for watching over public funds and those deposited in the treasury. More specifically, the Court is responsible for monitoring the use of public funds and ensuring expenditures comply with existing laws and regulations. The COA is also responsible for prosecuting government employees accused of violating laws and regulations governing the administration of public funds[64].

Although the COA is the highest body responsible for monitoring public funds, the Ministry of Finance is also responsible for ensuring financial control of public officials' expenditures during budget implementation.

The president of the COA formulates an expenditure plan which is submitted to the Minister of Finance who is entitled to make the modifications. The Council of Ministers then promulgates the final plan following discussions with the president of the Court. The COA does not enjoy financial independence because its overall budget has to be approved by the executive authority vested in the Council of Ministers.

The financial resources allocated to the COA are insufficient to the task at hand. The Court is responsible of monitoring the finances of state administrations (78 directorates general of 21 Ministries), the 52 largest municipalities (there are 947 municipalities in total), and 63 public establishments and autonomous offices. The Court lacks the necessary human resources (mainly auditors)[65] and budget to carry out its duties.

Most of the COA budget, as reported in the 2005 national budget[66], is allocated for salaries. There is little left over to recruit new employees, undertake development projects[67], fund computerization of their operations or monitor the financial operations of all the different administrative institutions under its jurisdiction. The 2008 budget proposal did not reflect any increase in the budget.

Role of institution/ sector as pillar of NIS

Article 87 of the Constitution established the COA. Since 1952 there have been several amendments to its mandates and in 1982 the position of Accounts Auditor was created. Act No. 133 of April 14, 1992 created a Financial Law Department at the Judicial Institute and stipulated that all the judges of the Court, including the councilors and the public prosecutor's assistants had be graduates of the Institute.

The COA is governed by the authority of the Prime Minister under Article 1 of the COA Organization Act, which stipulates that the Court is subject to the administrative authority of the Prime Minister and that it is located in Beirut. This also states that the Court's budget should be included in the chapter of the Council of Ministers' budget.

All COA staff, except for judges, are appointed by decree of the Council of Ministers and made through the Civil Service Board. Thus, the COA has no authority to pick its own staff and this limits its ability in human resource development. This is in contrast to other agencies, which have the right to recruit their own staff, thereby safeguarding their autonomy[68].

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64 *The Lebanese Court of Account Website. Cited in: www.coa.gov.lb/Templates/InsideTemplate_en.aspx?PostingId=295*

65 *Court of Account 2005 annual report, p 83. Cited in: www.coa.gov.lb/Templates/HomeTemplate.aspx?PostingId=350*

66 *The 2005 public budget is the last budget approved by the parliament. After that date all budget proposal submitted by the executive are yet to be approved, due to the conflict Lebanon passed through from 2006 till 2008.*

67 *USD 2.1 million out of USD 3 million are allocated for COA current judges and employees' salaries. The Lebanese Ministry of Finance website: www.finance.gov.lb/Public+Finances/Budget/*

68 *The Lebanese Court of Account Website. Cited in: www.coa.gov.lb/Templates/InsideTemplate_en.aspx?PostingId=295*

The president of the COA is nominated by the Prime Minster and then appointed by a decree by the Council of Ministers. The COA president is not always chosen from within the institution itself and need not be an expert in auditing or public finance. The president of the COA has all the powers of a Minister except those granted under the constitution. Once appointed, it is very difficult to transfer of dismiss the president of the COA, the Attorney General or judges. Transfers need the approval of the Council of the Court, which is composed of the President, the Prosecutor General and the three highest ranking judges in the country. Dismissal is subject to trial and conviction by a special disciplinary council composed of top judges. Since the establishment of the Court, this procedure has never been invoked[69].

The COA should audit all public expenditures as stipulated by its organization act. But in practice, the COA faces significant obstacles: lack of staff, no budget and no current president. The appointment of the COA president forms part of the confessional division of senior political positions and is allocated to one of the three major confessions in Lebanon. It requires a consensus among the influential leaders of the three communities. Since 2007 the post has been filled by an acting president, who has limited power, as no consensus on a permanent president has been reached. In addition, many senior posts have not been filled following the retirement of judges. The overall effect is a paralysis of COA activities.

This is critical now but nothing new. Since its establishment, the COA has never filed a lawsuit against any of its internal judges or employees in a case of corruption. If this situation did occur, the names and numbers of judges would not be disclosed, a further reason for the introduction of an Access to Information law.

Accountability

The COA is under the administrative authority of the prime minister. Each year the COA submits three different types of reports to the administration:[70]

- An Annual report: submitted by the end of each year, this report contains information about COA activities and proposals for amending laws and regulations that have a financial impact. The general Assembly of the Court approves this report, after it has gone before the public prosecutor.
- Special reports: when deemed necessary, the Court may submit to the President of the Republic, to the Speaker of the Chamber of Deputies, to the Prime Minister, or to the concerned public administrations and agencies, special reports on specific issues, together with appropriate proposals.
- Statements of Conformity: The court issues, each year, a statement of conformity for each account submitted to its control, supported with documented evidence, as specified by existing laws and regulations.

The Annual reports from 2006, 2007 and 2008 were not presented by the COA to the concerned administrative bodies, the President of the Republic, the Parliament, and the Civil Service Board or to the Central Inspection Administration because the position of the president of the COA is vacant, and the acting president is not obligated to present these reports officially. The reports were prepared, however

The COA has also not submitted any “statements of conformity pertaining to the budget account” because no budgets have not been approved since 2006.

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69 *Public Service Accountability in Lebanon, this chapter is an adapted summary of the background papers originally prepared by the AUB/Harvard Joint Research Program on Administrative Reform in the Public Sector of Lebanon with some conclusions and generalizations reached in the light of the findings of these papers. Cited in: http://ddc.aub.edu.lb/projects/pspa/PSAccount/PSAccount-1.html*

70 *The purpose of post administrative control is to evaluate financial transactions and their overall results, from the time they are concluded until the end of their execution and their entry into the accounts. The COA also practices the prior administrative control which aims to ascertain the validity of transactions and their conformity with the budget and with established laws and regulations.*

The COA performs different types of audit. These include: administrative control, judicial control, control over the appointment of civil servants, and control over any civil servant who uses his/her authority or influence to hinder or delay the implementation of a state council decision. These types of audit are divided among pre and post control audits. The Executive branch has the right to review and change the COA's first audit

Although the COA has carried out approximately 1,500 pre-audits since 2005, getting these reviewed by the Executive branch has proved difficult. There have been some moves to attempt to abolish the pre-audit function of the COA which would leave it totally under the control of the Executive and clearly affect its functioning.

Integrity mechanisms

The COA lacks specific codes of conduct or codes of ethics. However, the COA auditors and employees are bound to confidentiality under the following oath: "I swear by God the Almighty to perform my duties trustfully and sincerely, and to keep their confidentiality forever." This oath is intended to promote integrity within the Audit Court Institution in the absence of a specific code of conduct. The same oath is taken by the head and employees of the Central Authority for Statistics. Its effect is to make it impossible for anyone to access information about Lebanese Public Administration.

The COA is composed of judges, auditors and administrative employees who are considered civil servants and must follow the Civil Service by-laws. The judges also follow the "Lebanese Judges' by-laws" that prohibit them from engaging in private business transactions during their tenure, except teaching at universities for a limited number of hours per month. Article 15 of the Civil Service by-laws stipulates that employees should avoid conflict of interest and should not undertake a commercial/industrial or other paid job (unless specifically permitted by law) or serve on the board of business corporations or have any financial interest in a private business. These rules are respected by both COA judges and employees. There are no post-employment restrictions for COA Judges or employees.

COA Judges and employees are prevented from receiving gifts in case it leads to negligence of duties or loss of impartiality and/or integrity. According to Article 351 and 352 of the Lebanese Penal Code Law if the judges accept gifts considered to be a betrayal of national interests they can face from three months to three years in prison or a fine up to at least double the value of the gift.

Transparency

Government audits are supposed to be kept up to date and published annually in the official gazette and on the COA website. This was done up to 2007 when the then COA president retired and was not replaced. Although the annual reports have been drafted internally, they have not been submitted to the relevant entities.

In theory, each year the president of the Court or one of his aides are supposed to present the COA Annual report to the Finance and Budget Committee and other relevant parliamentary committees. However, as the report is never discussed by the respective committees, this limits the effectiveness of this procedure.

Complaints/enforcement mechanisms

As there is no whistleblower's protection legislation, the COA has never filed a lawsuit against any of its judges or employees in a case of corruption.

Relationship to other pillars

In theory the COA communicates its annual report to the President of the Republic, Speaker of the Chamber of Deputies, and the Prime Minister. The COA is said to have an indirect communication system with the MPs. In this framework, the statements of conformity pertaining to the budget, are transmitted to the Parliament, and then circulated to the MPs. The COA is not subject to the administrative authority of the Chamber of Deputies, as is the case for some foreign financial control agencies.

The COA is supposed to offer assistance to parliament to help improve legislative oversight of public funds. But since it has not submitted any annual reports since 2007, this has not happened. Even when the reports were published they were rarely discussed by MPs. The reports are long and complex and require both time and specialized skills to understand, things generally lacking among MPs. In addition to this, MPs have not benefited from the statement of conformity pertaining to the public budget since 2006, the last year the public budget was published.

Constrained by the political situation in Lebanon, the COA has looked to international and specialist Arab organizations for support, including:

- The Arab Group of Supreme Financial and Accounting Control Agencies (ARABOSAI): Lebanon has been a member of this group and has participated in most of its conferences and meetings. In 1995, Lebanon, at the initiative of the President of the Court and with the approval of the Council of Ministries, hosted the fifth session of the general assembly of this group in Beirut. The session took place at the highest level and the President of the COA was elected chairman of its executive board. The various recommendations and decisions taken by the assembly helped strengthen the basis of close cooperation between the Arab control agencies.
- The International Organization of Supreme Financial Control Agencies (INTOSAI).
  Lebanon renewed its contacts with this organization at the end of the civil war and has participated, during the last two years, in its scientific and training sessions.
- The Association of the Audit Courts of French-Speaking Countries
  The Lebanese Court of Account is a founding and current member of this association.[71]

71 *The Lebanese Supreme Audit Court Website. Cited in: www.coa.gov.lb/Templates/InsideTemplate_en.aspx?PostingId=296*

6.
JUDICIARY

Resources/ structure

The Lebanese judiciary is divided into seven major categories:

1 A Constitutional Court, which is the responsibility of the Constitutional Council, This Court examines the constitutionality of laws, and adjudicates election appeals.
2 Judicial courts, which represent the major constituents of the Lebanese judiciary system, as described under Article 20 of the Lebanese Constitution[72]. These courts include: A- Courts of First Instance B- Court of Appeals C- Court of Cassation. The courts of First Instance are each divided into chambers made up of one presiding and two associate judges, and chambers made up of only one presiding judge without associates. The Courts of Appeal are each divided into chambers of one presiding and two associate judges. The Cassation Court is also divided into chambers of one presiding and two associate judges.[73]
3 An Administrative Court, which is the responsibility of the State Council. The council's main objective is to control the legality of the administrative work executed by the public authorities, whether by performing consultative functions in advance of decisions, or subsequently through annulling decisions that have not been made in accordance with the law.
4 A Financial Court, responsible to the Court of Accounts. This court is an administrative court that maintains oversight over public funds. It is subject to the authority of the Council of Ministers and not to any judicial power.
5 A Military Court: This includes a permanent military court located in the capital Beirut, in addition to a Military Court of Cassation. The heads of the military courts, along with their personnel are linked to the Minister of National Defense, which manages the budget and resources of these courts.
6 A Political Court, which is the responsibility of the Supreme Council. It is an independent judiciary branch as stated in Article 80 of the Constitution. The Council's function is to try Presidents and Ministers. It is made up of seven deputies, elected by MPs, and eight of the highest-ranking Lebanese judges.
7 Exceptional Courts are established for specific purposes and in specific situations. They are of an ad hoc nature, and get dissolved once their function is over. Even though these courts are not stipulated in the Lebanese Constitution, their functions are noted in the ordinances.

In addition to the several categories, the Lebanese judicial system also consists of approximately 550 judges, including the Administrative Court judges.

The existence of various levels and types of Courts gives citizens a more democratic legal system. In practice citizens are able to appeal to the Court of Appeal against any decision taken by the Court of First Instance, or if they believe that the judgment of the latter was wrong. Moreover, decisions taken by Courts of First Instance or by Courts of Appeal may themselves create the object of an appeal before the Court of Cassation. This court serves as the final court of appeal, and adjudicates between conflicting views[74].

The Lebanese judiciary system is not financially independent. The only court, out of the seven mentioned above, that enjoys financial independence, is the Constitutional Court. The budgets' of the judicial and administrative courts are included in the budget of the Ministry of Justice, the Financial Court budget is administered by the Office of the Prime Minister, and finally the Military Court budget comes under the Ministry of National Defense. These budgets include judges' salaries and other relevant funds.

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72 *Article 20 of the Lebanese constitution stipulates that: Judicial power is to be exercised by the tribunals of various levels and jurisdictions. It functions within the limits of an order established by the law and offering the necessary guarantees to judges and litigants. The limits and conditions for the protection of the judges are determined by law. The judges are independent in the exercise of their duties. The decisions and judgments of all courts are rendered and executed in the name of the Lebanese People*

73 *Please refer to the law on judicial court issued by the Decree Law No. 150 of 1983, Chapter Two, from article 12 to 25.*

74 *The Court of Cassation could be considered as a court of third degree, in comparison to the court of First Instance and Court of Appeal, respectively first and second degree.*

The judiciary branch's major spending requirements include:

- Equipment and Training: The judiciary needs modernization but current budget allocations are insufficient. There are also inadequate budget allocations for capacity building among judges. The administration of judicial palaces, courts and equipment is not in the hands of the judicial authority but in the hand of the Ministry of Justice.
- Salaries and Social Status: Judges Salaries and social status are relatively low, in particular when compared to local politicians and Ministers, which increases the risks of corruption.[75] But their salaries are fair when compared to other public servants. Lebanese judges benefit from the "judges' mutual fund", financed in part by specially earmarked taxes, fees collected from lawsuits, and the government's regular contributions. These resources are used by judges for their medical and retirement costs. Currently, judges are petitioning the government to increase its contribution, but it is resisting.

Role of institution

Article 20 of the Lebanese Constitution regards the judiciary as an independent power subject uniquely to the Law. The law on judicial courts issued by the Decree Law No. 150 of 1983 governs the structure and functions of the judiciary.

In Lebanon it is essential to differentiate between two concepts: the independence of the entire judicial system, mainly its relation with the executive and legislative powers, and the independence of judges within the judiciary system.

The first concept can be explained as follows: At the top of the pyramid of the judiciary system, there is the Supreme Judicial Council, composed of 10 judges, headed by the First President, or Chief Justice of the Court of Cassation. The fact that the Supreme Judicial Council is made up of judges only, does not guarantee the council's independence. Five out of those 10 judges are nominated by the Minister of Justice and then appointed by a Decree issued by the Council of Ministers Three out of the remaining five are permanent and appointed by a decree issued by the Council of Ministers, while two are elected among the presidents of the courts every three years. As a result, eight out of the 10 judges are appointed by a decree issued by the Council of Ministers. This situation guarantees the political interference of the Executive. There is no effective separation of powers between the executive and judiciary branches. The appointment of judges is therefore a political act that can lead to strong relationships between judges and the political leaders who appoint them. The Supreme Judiciary Council is also subject to sectarianism and the decision-makers tend to promote the interests of their respective confessional communities.

The second concept refers to the idea that the judges make all their decisions independently. It is true judges have to pass a test following a three-year program at the Institute of Judicial Studies and there is little political interference at this stage. However, once qualified, they are constantly subjected to political pressure either in dealing with powerful people or in order to get the promotions and transfers they want.

The Supreme Judicial Council presides over judicial appointments, transfers, training, and disciplinary actions and sanctions. It prepares the list of qualified people and sends it to the Minister of Justice for review, before nominating old and new judges. The Ministry of Justice can either endorse the decision or send it back to the Supreme Judicial Council for further consultation, after which, the Supreme Judicial Council's decision will prevail following a decision taken by seven out of its 10 judges[76]. In practice, the Supreme Judicial Council and the

75 *European Neighborhood Policy: Country Report Lebanon, December 2004, Cited in: www.dellbn.ec.europa.eu/en/pev/report.htm*

76 *In the absence of consensus among the Supreme Council judges, the decision of the Minister of Justice will prevail, reflecting the Executive power's political influence, represented by the Minister of Justice, in decision making process.*

Minister of Justice reach a compromise on the list of positions and qualified individuals before submitting it to the Council of Ministers. This cooperation between both sides, can negatively affect the independence of judges, as they fear being transferred from one court to another one within the judiciary system as a result of a political consensus and against their will. This means that appointments and transfers are not always based on judges' experience and career development. The nature of the Lebanese political regime itself makes the system open to interference as does the rotational system which mandates judges are regularly assigned to new courts and departments. The retirement age for judges is 68 years.

The appointments and transfers become effective only when the President of the Republic, the Prime Minister and the Ministers of Justice, Finance and Defense give final approval. If a consensus between the President of the Republic and the Prime Minster is not reached, then no judges will be appointed. This happened between the year 2003 and 2009, when political stalemate delayed judicial appointments for six consecutive years. Clearly, it is necessary to strengthen the independence of the Judiciary by giving the Supreme Judiciary Council the right to appoint qualified judges without referring to the Executive branch.

The Judiciary also suffers from the communal power sharing formula. Critical judiciary positions, considered of high importance, are allocated among the main sectarian communities. The President of the Supreme Judiciary Council and the President of State Council should be Christian Maronite, the Attorney General of the Cassation Court should be Muslim Sunni, and the President of Court of Account should be a Shiite Muslim. Under a system like this, the job does not always go to the best-qualified candidate.

At lower levels, appointments are based on merit, transparent criteria, and the judges' competence. As mentioned earlier, it is mandatory for judges to follow a three-year program at the Judicial Institute prior to their appointment. This latter condition is implemented to the letter.

Although both new and old judges benefit from on-the-job training, there is no systematic capacity building programme in place and judges do not have specific training programmes to help them prosecute corruption cases.

The Lebanese Penal Code includes sanctions and penalties against corrupt behavior committed by public servants. Cases of corruption within the judiciary system are dealt with by the Judicial Inspection Authority and are secret. As a result, it is extremely difficult to find out if a judge is found guilty in a corruption crime, and removed from his position. This practice is supposedly done to preserve reputation of the judicial system and the judges' reputation, as well as the credibility of any decision taken by the judge later on during the performance of his duties.

Accountability

The Judicial Inspection Authority (JIA), which is essentially the oversight mechanism within the Judiciary itself, is composed of one President, four General Inspectors and six Inspectors[77]: a total of 11 members. The President of the JIA and the Inspectors are appointed by a decree issued by the Council of Ministers upon the suggestion of the Minister of Justice[78].
The JIA has the following responsibilities[79]:

- Maintaining oversight over the judicial branch, including the judges, secretaries, staff and personnel.
- Drawing the attention of concerned authorities to illegal acts, and suggesting reform proposals.

77 *Article 99 of the law on judicial court issued by the Decree Law No. 150 of 1983.*
78 *Article 100 of the law on judicial court issued by the Decree Law No. 150 of 1983.*
79 *Ministry of Justice Website, Cited in: www.justice.gov.lb/CP/ViewPage.aspx?id=203&language=1*

- Using disciplinary powers, stipulated in the Law, with regards to judges, and the staff of the different courts.
- Identifying those who are not performing adequately.
- Issuing warnings to members of the judicial branch when necessary, and.
- Suggesting the Supreme Judicial Council take the appropriate measures against any judge under suspicion of wrong doing.

The JIA receives dozens of complaints, each year, against judges and hundreds of complaints against judicial staff. The General Inspectors deal with complaints filed against judges and the Inspectors deal with irregularities related to the work of the judicial staff.[80]

There is no information about the complaints against judges. However, some members of the judicial staff have been dismissed and others have been referred to the Criminal Court[81].

On a monthly basis, judges submit a progress report, to the first judge of the region (Mohafaza), the head of the Supreme Council, the head of JIA and the Minister of Justice. The report includes information on the total number of lawsuits or complaints within the court in which the judge works, and the total number of lawsuits received, as well as the judgments pronounced during the given month. The judges are expected by law to provide explanations for their decisions. This practice is carried out regularly.

However, in reality the JIA has not functioned since 2007. It has no President and only two out of 11 members are said to perform their duties. As a result, the JIA is no longer able to receive or deal with complaints.

Integrity mechanisms

In 2002 the judicial branch introduced a “Code of Judiciary Ethics”. It is more a guideline as it is not binding by law. The Supreme Judiciary Council, in line with the State Council, and the JIA, are involved in a continuous process of issuing circulars and guidelines tackling the manners and ethics of the judicial branch. The law provides for the principle of impartiality[82] and provides rules to avoid conflict of interest. According to Article 120 of the Code of Civil Procedure, if a relationship is proved to exist between a judge and one of conflicting parties, then the judge will have to voluntarily step down or be forced to step down. Article 116 authorizes the Court of Cassation to mandate the transfer of lawsuits from one court to another in cases where there are suspicions of impartiality in a court.[83]. In addition to this, Article 47 of the Legal Decree No. 150 of 1983 prevents judges from engaging in private business transactions during their tenure, except for teaching at universities for a limited number of hours monthly. As far as post-employment is concerned, there are no restrictions.

Judges are not allowed to receive gifts. According to articles 351 and 352 of the Lebanese Penal Code Law, sanctions and penalties are imposed if the judges accept gifts with the purpose of betraying the national interest (see above).
The impartiality of the judicial system and its vulnerability to political pressure is a constant topic in Lebanese political writing. There are regulations to guarantee the integrity of the judiciary but integrity and impartiality is a question of ethics and characters. When a judge is someone above suspicion, he/she does not need codes of conduct to exercise their duties consciously.

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80 “How the Judicial Inspection Authority works, and to whom it represents its recommendations?” Al Akhbar newspaper, Saturday October 7, 2006, cited in: www.al-akhbar.com/ar/node/7511

81 “How the Judicial Inspection Authority works, and to whom it submits its recommendations?” Al Akhbar newspaper, Saturday October 7, 2006, cited in: www.al-akhbar.com/ar/node/7511

82 Chalhoub Elia, “Lebanese judiciary”, Arab Rule of Law, Beirut, 2007, p.329.

83 Ibid.

Transparency

Judges are subject to the provisions of the Illicit Wealth Law issued in 1999. They are expected to respect the provisions of Article 4 of this law, which stipulates that any judge shall submit a signed declaration that indicates his/her financial and non-financial assets as well as those of husband/wife, and underage children to the President of the Court of Cassation within the first month in office, and within three months upon departure from office. But it is important to mention that the disclosed assets are not made public, and there are no follow-up mechanisms to maintain continuous oversight of these declarations. Judges do not have to make periodic declarations about their wealth, during the course of their work. Thus, it is difficult to assess a judge's wealth during the period of his service in the Judiciary. Court records are made publicly accessible, as citizens have the right to review all previous decisions made by courts, upon request.

The budget of the judiciary is included in the annual public budget, as part of the budget allocated to the Ministry of Justice. The budget is also published in the official Gazette and on the Ministry of Finance's website, but it is not easy to understand and only includes the total amount of money allocated without explanation as to how the money is spent, and for which administration and/or court.

Complaints/ enforcement mechanisms

A number of mechanisms enable citizens to file complaints regarding the conduct and functioning of the judiciary. Citizens can petition the JIA to investigate allegations of corruption but these will be claims against the state and not individual judges. They can result in sanctions, instigated by the General Panel of the Court of Cassation, in respect to errors made by judges.

Judges are theoretically entitled to special immunities, which also cover corruption-related issues, but they are still not protected against personal attacks. There have been several incidents where judges were victims of physical abuse.

Citizens do have recourse to the courts by law, but there is no legal aid in Lebanon and filing suit is costly and must be paid at each stage of the litigation process. There is some scope for citizens to ask for judicial assistance if they have no means to hire a lawyer. At this stage, it is the state's responsibility to hire a lawyer for them.

Relationship to other pillars

Judiciary power is financially and administratively dependent on executive power. The judiciary system does not have its own budget (it is part of the Ministry of Justice) and its by-laws are proposed and administered by the Minister of Justice in the case of the courts and by the Minister of Finance in the case of the Court of Account[84]. As for the judicial appointments, all transfers, training, disciplinary actions, and sanctions are processed by the Supreme Judicial Council and the Minister of Justice and ratified by the Council of Ministers.

The State Council can exercise its oversight capacity over decisions taken by the executive, when it has received a complaint. Article 93 of the State Council's Organization Act stipulates that the executive power should implement the decisions taken by the State Council within a reasonable period of time. In practice, this does not always occur. For example, in 1999 some Category One public servants were dismissed. Some of them appealed and the State Council forced the government to reinstate them. However, this has not happened until now.

84 *Naaman, Issam. "The Lebanese Judiciary: Authority building and developing institutions", LCPS, 1st Edition, Beirut, 1999.*

7.
CIVIL SERVICE / PUBLIC SECTOR AGENCIES

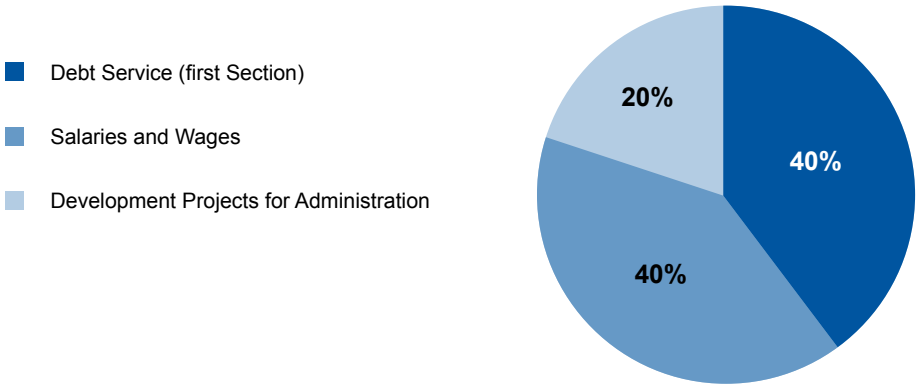
Resources/structure

The Lebanese Public Sector comprises of two major sectors. The first one includes the Ministries and their relative public administrations. The second sector includes several public autonomous offices. There is no formal list published by the state on these institutions' status and budget. The Ministries list lacks essential information on their relative administrations' composition and budgets. There appear to be 108 public autonomous offices, 81 of which are operational. 71 of these offices report to the 21 Ministries of the government while the other 10 are totally independent from any oversight[85]. Examples of these offices operating in Lebanon are: The Central Bank, the Educational Center for Research and Development, the Construction and Development Council, the National Social Security Fund, The Cooperative for State Employees, the Water and Electricity institutions and others. The overall national budget provides for the revenues and expenditures of the Presidency of the Republic, the Parliament, the Prime Minister's office, the Constitutional Council, the 21 ministries and certain autonomous offices and large municipalities. Three of the 108 autonomous offices publish budgets.

All offices and Ministries suffer from lack of resources. This is due to the fact that the budgets of public sector institutions are not based on their relative needs and requirements but on the availability of funds. The shortfall is in the region of 80 per cent which means Ministries are unable to fund any development projects.

The following illustration reflects public revenues spending:

Public Revenues Spending



Several institutions are engaged in public spending other than the ordinary public institutions. For instance, the Ministry of Education assigns certain proportions of their budget to schools and educational institutions. The Lebanese state has also been subsidizing the electricity authority of Lebanon "Electricité Du Liban" (EDL) for the past 15 years.

Role(s) of institution/ sector as pillar of NIS

Article 12 of the Constitution guarantees that any Lebanese citizen can hold public office, if he/she is qualified. In practice, however, the top public offices are decided on the basis of sectarianism even though the Taef agreement stated the political sectarianism should be abolished gradually from public posts, including the judiciary, military institutions, public institutions, and private utilities except for Category One posts and their equivalent. This provision stated that these posts shall be equally divided among Christians and Muslim communities with no single post reserved to any sect outside the major communities (i.e. Maronites, Shia, Sunni, Druze, Greek Orthodox, Greek Catholics and Armenians. The remaining 13 communities are grouped as a "minority").

85 *Interview with Mr.Yahya Hakim, Board Member and Treasurer of the Lebanese Transparency Association, on February 23, 2009, conducted by Dany Haddad and Natacha Sarkis.*

In order to prevent political interference from occurring, the Lebanese laws provided for the establishment of the Civil Service Board as described in the legislative Decree No. 114 of June 12, 1959 and its subsequent amendments. This board monitors the implementation of the Civil Servants Regulations legislative decree, and it is entrusted with functions regarding appointments within the public sector. Some of the powers the board holds are as follow, with an assessment of how this works in practice. The Civil Service Board:

- Determines personnel needs for all government departments and helps in the preparation of the personnel budget. In practice, the Board lacks the proper modern legislation, financial means and qualified human resources capable of studying, analyzing and suggesting the necessary steps and policies to evaluate the requirements of the different administrations.
- Conducts examinations and approves lists of eligible candidates for all civil service jobs. In practice, the syllabi of examinations are still based on simplistic and outdated job requirements that go back to 1959/1962.
- Supervises and approves promotions and transfers in the civil service maintaining personnel records and files for all civil servants. In practice, state records and files are in a lamentable state and need to be revised, updated and modernized.)
- Designs and implements a system of performance appraisal. In practice, this was never done due to a lack of the qualified personnel.
- Dismisses civil servants whose performance is considered unsatisfactory. In practice, this is never undertaken because public servants are protected by an administrative immunity and communal protection.
- Submits recommendations for the improvement of personnel policies and regulations. In practice, this is never done because of the lack of qualified staff.
- Develops a system of job classification. In practice, the Lebanese Public Administration does not have proper Position and Job Description regulations and classification. This means there are no analytical set of rules and regulations that can evaluate the work of civil servants or evaluate merit and/or fraud, corruption and bribery.
- Approves allowances for Civil Servants. In practice the wages and allowances of the Civil Servants are so low in comparison with those in the Private Sector the best university graduates do not enroll in the Public Sector. Low pay also opens the door to corruption and bribery in most of the institutions of the Public Sector.
- Advises the government on the organizational structure of various public administrations and autonomous agencies. In practice, the lack of qualified personnel makes this impossible.
- Provides pre and post entry training of all government employees.

The above list indicates that the Board was intended to play a dominant role in protecting the public service from undue political interference and favoritism in personnel practices and in improving and modernizing these practices. The Civil Service Board was conceived as the main guardian of the public human resources system and the main authority on personnel matters throughout the public service. [86]

However, many politicians, experts and academics contend that there is no formal independence of the Lebanese public sector. The Taef Agreement specifies that the Council of Ministers holds the responsibility of appointing Category One Civil Servants and their equivalent. The Lebanese state lacks effective safeguards to prevent political interference in the public sector, since sectarianism is deeply rooted in the administrative sector. On the other hand, the Legislative Decree No 112/59, (Civil Servants Regulations) according to its article 14 does not constrain a civil servant from having party membership but requires freezing of this

86 *Public Service Accountability in Lebanon, this chapter is an adapted summary of the background papers originally prepared by the AUB/Harvard Joint Research Program on Administrative Reform in the Public Sector of Lebanon with some conclusions and generalizations reached in the light of the findings of these papers. Cited in: //ddc.aub.edu.lb/projects/pspa/PSAccount/PSAccount-1.html*

membership upon holding a public post. The same Decree indicates the rules for appointment.

Political interference in public sector appointments in the case of Category One posts is direct, but less so for the Category Two to Five posts. Dr. Randa Antoun, a political expert, says that political interference occurs after the required examinations to fill vacant posts have been conducted. "If the state announces that there are 50 vacant positions within the public sector, and the number of those who passed the examinations happened to be 50 Christians, then the state cannot appoint those 50 people since government officials are required to take into consideration the proportional representation within the administrative sector. Therefore, Public Service employees are appointed along religious and sectarian lines" [87]

People appointed to permanent public posts get tenure only three months after the date of their appointment although this does not apply for public contractual employees.

The public sector lacks any effective and permanent strategy to promote integrity, transparency, and good governance. Despite this, efforts have been made to initiate programs and regulations that promote administrative reforms. The most significant of which is the Office of the Minister for State and Administrative Reform (OMSAR). However, the government shows no commitment since it has issued no laws in this area. Indeed all the evidence points to a general lack of concern. Dr. Antoun cites the case of a number of civil servants who were fired in 1993 after the Lebanese Parliament had passed Laws No. 199 and No. 200 aiming at reforming the Administration. After appealing to the State Council they were reinstated.[88]. It appears that when the State Council petitioned the Civil Service Board for the personnel files of the people under investigation, there was no evidence found to prove wrong doing. It can be assumed that information had gone missing.

Accountability

The main instruments of compliance and accountability in Lebanon are the Court of Accounts, the Civil Service Council, the Central Inspection Board, and the High Disciplinary Board, all of which are located within the Executive branch of government. To assess the efficiency of these agencies, we shall refer to some functions that these agencies undertake:

- The Audit Court: The Audit Court is an administrative court, with financial and judicial functions, responsible for watching over public funds and those deposited in the treasury. More specifically, the Court is responsible for checking the use of public funds and its compliance with existing laws and regulations and for prosecuting all government employees accused of violating laws and regulations governing the administration of public funds.
- Central Inspection Board: An important function of Central Inspection Board is that of advising various government departments on the improvement of their organizational structure, work methods and procedures, and the standardization of office space and equipment. This function is the responsibility of the Research and Guidance Department which exercises a purely advisory role.
- High Disciplinary Board: The High Disciplinary Board is an independent semi-judicial body responsible for trying civil servants accused of violating existing laws and regulations and imposing appropriate penalties on them. The Council cannot initiate trial proceedings on its own but can consider cases referred to it by the appointing authority or by the Central Inspection Board.

87 *Interview with Dr. Antoun, PHD. Public Administration Expert, on February 18, 2009, conducted by Dany Haddad and Natacha Sarkis.*

88 *Public Service Accountability in Lebanon, this chapter is an adapted summary of the background papers originally prepared by the AUB/Harvard Joint Research Program on Administrative Reform in the Public Sector of Lebanon with some conclusions and generalizations reached in the light of the findings of these papers. Cited in: http://ddc.aub.edu.lb/projects/pspa/PSAccount/PSAccount-1.htmls of the case.*

As for the laws that deal with the oversight they are as follows:
- Penal Code
- Illicit Wealth System
- Civil Servant Regulations.

Public sector agencies report to their corresponding Ministries, which in turn report to the legislative authority embedded in the Parliament. The administrative checks and balances of individual public officials do exist, but the final decision is taken by the Minister. In this framework, if any concerned Minister issued an administrative decision, the Director General (Category One public servant) is obliged to comply with this decision based on the operating administrative hierarchy. However, if the Director General has any objection or complaint he/she can report his/her views on the issue of contention to the Central Inspection Board. In addition to that, if the Council of Ministers, takes a decision to remove a civil servant from his position, the latter is entitled to take his case to the State Council. The State Council studies the case and issues a verdict. From a theoretical point of view, the accountability system within the Civil Service gives civil servants immunity from unjust decisions and protects their rights by giving them the right of appeal to the State Council in case of abuse of power from the executive officials. However, in practice the opposite is taking place, as civil servants are accountable to politicians rather than the control agencies. In theory, civil servants know that they are supposed to work for the government and serve the public interests and that, if they do report or fall under the authority of a Minister or Director General, they are under the jurisdiction of the administrative laws and regulations[89]. However, the public is never consulted nor encouraged to get involved in the work of the different public sector agencies.

Integrity mechanisms

A code of conduct for public servants was developed by the Office of Minister for Administrative Reform in 2001 but was never applied in any administration. As is the case with various sectors and agencies, useful and important laws, decrees and ministerial decisions are available but, in practice, are never implemented or enforced. These legislations include, among others, rules on conflicts of interest, abuse of authority and negligence. The Civil Servants Regulations Article 15 covers the rules and regulations with respect to activities or affiliations that can lead to conflicts of interest between the public sector and civil servants personal interests. The same thing applies to certain rules that prohibit acceptance of gifts and affiliations. According to the same article, the following acts are prohibited:
- Indulging in any work that violates the constitution, laws, regulations and interests of the land.
- Joining professional unions, syndicates or organizations.
- Engaging in or supporting strikes.
- Undertaking a commercial, industrial or any other paid job, unless specifically authorized by law.
- Serving on Boards of business corporations, or having any financial interest, directly or indirectly, in any institution subject to their control or to the control of their department.
- Soliciting or accepting, directly or indirectly, while holding office, gifts, bonuses or donations of any kind.
- Divulging information that they have acquired in performing their duties, even after retirement, without written permission from the administration in which they were working[90]

Post employment restrictions do exist but in very specific terms and for few positions only.

These acts are aimed at preventing abuse of power, bribery, corruption and nepotism in the public administration.

89 *Antoun Randa, "Towards a National Anti- Corruption Strategy", UNDP & LTA, Beirut, 2009, p.32.*
90 *Legislative Decree No. 112/59, art. 15.*

While it is hard to investigate corruption cases within the Lebanese government, it is common knowledge that bribery is rife within the public administration and is considered a basic norm in the domestic political life.

Transparency

The Illicit Wealth Law issued in 1999 requires that certain people holding public posts disclose their financial and non-financial assets. According to the provisions of this law, the assets and wealth of the heads of municipalities along with the directors of public institutions are monitored. In spite of the fact that the disclosure of assets and fortunes are required by law, they remain outside the reach of public viewing. In general, there is no mechanism that enforces publishing detailed information on administrative decisions such as granting permits, licenses, bank loans and tax assessments. Public sector agencies seem to lack effective means of communication that would facilitate access of citizens to such information on public servants and/or services. Despite this fact, OMSAR's efforts have been concentrated lately on enhancing the administration's capacity to improve internet accessibility to public information and services, and providing facilities to the public via "Liban Post" to carry and deliver the documents and payment of certain public formalities.

Complaints/ Enforcement mechanisms

The lack of any whistleblower protection in Lebanon severely restricts public complaints against government officials. Despite this, sanctions against civil servants in cases of misconduct were first codified in 1953 and modified in 1955 and again in 1959. The modifications dealt primarily with the types of penalties: first degree for mild offenses and second degree for more serious infractions.

First degree:
1. Reprimand 2. Deduction of salary for a maximum of 15 days 3. Deferment of an increment within the category for a maximum of 6 months. [91]

Second degree:
1. Deferment of an increment within the category for a maximum of thirty months 2. Suspension without pay for a maximum of six month 3. Forfeiture of one or more increments within the category 4. Demotion 5. Dismissal without suspension of pension rights. 6. Discharge with suspension of pension rights.[92]

The Central Inspection Board is in charge of investigating allegations of corruption committed in the public sector. However, those who are empowered to monitor the disclosure of assets do not have the qualified staff capable of investigating allegations and accusations against public servants. A large number of corruption cases are probably never investigated. Dr. Antoun has pointed out that there would likely be thousands of corruption allegations if cases were properly filed. Nevertheless, the overall political culture prevailing in the country does not permit for the opening of proper transparent channels of communication between citizens and public officials to expose cases of corruption, bribery, theft, negligence and abuse of power. Citizens cannot submit a complaint and expect to be compensated for a wrongdoing or abuse by a civil servant or service. Citizens have lost faith in the system long time ago. Review of status or redress for injustices incurred by civil servants is the responsibility of the Civil Service Board, as mentioned earlier in the section dealing with the functions of this institution. It is worth noting that civil servants enjoy immunity which prevents control agencies from investigating or prosecuting a subordinate without the approval of the supervisor as stipulated in article 61 of the Civil Servants Regulations.

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91 The Lebanese Civil Service is made up of five categories; Category One is the highest. Categories are divided into steps, and each employee is supposed to receive an automatic step every two years, which is a salary increment and an advancement step within his category.

92 Legislative Decree No. 112/59, art. 55

Relationship to other pillars

The Civil Service coordinates its work with the Executive branch, represented by the Prime Minister. This is clearly manifested with regard to appointments, oversight, and audit. While the executive authority exercises direct influence on the appointment procedures, oversight and audit mechanisms are carried out by the two other control agencies (the Central Inspection Board and the Court of Account) both under the authority of the Executive branch, financially and administratively. The presence of the checks and balances system in Lebanon was supposed to regulate the works of the Executive, in particular that of the Cabinet, through the Legislature. This is not done because Parliament is not equipped to carry out such a delicate operation for a number of reasons, but primarily due to a lack of the proper qualified experts and the legal framework in which to work.

8.
LAW ENFORCEMENT

Resources/structure

The Lebanese law enforcement agencies find themselves in a precarious position that requires delicate attention. There are three security institutions, two of which are well-defined: the Lebanese Armed Forces (LAF), the Internal Security Force (ISF) and lastly, there are various wings of the military intelligence establishment which also play a role in law enforcement. To preserve stability among the various sectarian schisms in Lebanon, it is paramount that the state's role in law enforcement is seen as neutral. Among the three security institutions the LAF bears the brunt on this responsibility for maintaining internal security, in addition to its duty to ensure security during external conflicts. The ISF represents the main policing force responsibly for crime and traffic regulations. Military intelligence enforcement officials are responsible for increased coordination and collaboration between the three security agencies existing within the Lebanese state. The interplay of these three agencies in theory represents the main protectors of security. In coordination with the Lebanese government, these organizations should maintain sovereignty over decisions of war and remain responsible for communal peace.

On the ground, however, it is a different story. Conflicts, both internal and external, gave rise to sectarian militias, particularly during the Lebanese Civil War and the succession of foreign invasions. The Taef Agreement reached in 1989, stipulated that all militias should be disarmed. However, this challenge persists in the post Taef era to this day. The on-going political crises have perpetuated communal fears and allowed sectarian militias to pursue communal security strategies.

Role of institution

The perennial concern as regards law enforcement in Lebanon is that those in power will use it as a political tool to protect the interests of traditional elites: sectarianism, as in all parts of the political process, is imbedded into the leadership positions of security agencies. The army commander of the military has always been a Christian Maronite and often remained close to the Christian elite. The chief of the ISF is often a Sunni Muslim, usually appointed with the Prime Minister's approval (who is also a Sunni Muslim). The position of the Christian army commander, however, retains the most power on the Lebanon's political scene.

The intelligence bureau is also subject to sectarianism. Historically, the most important sections have been the Christian-led intelligence arm of the military called the Second Bureau (B2). The other two intelligence bodies include the General Directorate of State Security, created after the civil war and run by a Shiite Muslim, and the Bureau of Information (BI), which is a Sunni-led institution.

After Taef, the government created a separate intelligence agency within the ISF, called the Information Unit. In its first two years, this small unit was turned into a strong and sophisticated organization responsible for supplying the ruling elite with information and monitoring the political scene. The Taef agreement also proposed strengthening the ISF, who never played a leading role in Lebanon's security, increasing personnel to 29,000. Under Syrian control, however, this did not happen. ISF numbers never exceeded 8,000.[93] Since 2005, however, the agency has expanded from 13,000 to 17,000 in 2006 and is expected to reach 29,000 by 2009.[94] The ISF has been responsible for maintaining security at the many large demonstrations in Lebanon and is considered relatively successful as an anti-riot force. It is also has an Anti-terrorist Directorate which has become more active in pin-pointing international terrorists in Lebanon.

93 *Belloncle, Edouard. "Prospects of SSR in Lebanon," Journal of Security Sector Management 4.4, 2006, p. 7*
94 *Belloncle, Edouard, op etit p. 14*

Accountability/Integrity mechanisms

The question remains, though, of the formal independence of the main policing force in Lebanon. The current strong man behind the Information Unit within the ISF is a Muslim Sunni who was a bodyguard to the late Prime Minister Hariri. He reports to the chief of the ISF, another Muslim Sunni. Clearly instead of providing a balanced intelligence unit, the government is abusing the integrity of security operations by strengthening the presence of a particular communal group at the expense of building a national coalition. The head of the LAF, who is additionally responsible for its intelligence divisions, is held directly responsible to the Council of Ministers and can be removed from duty for any wrong-doing or because of cabinet disproval. A military court can also hold lower-ranked officials and soldiers accountable to a basic code of conduct.

Partially made up of conscripts up until 2007, the LAF is supposed to be above confessional loyalties, as its multi-confessional hierarchy was designed to prevent state failure. Over time the military increasingly took a more active role in keeping communal peace and maintaining the Lebanese political system. However, the Taef agreement specifically charges the army only to intervene in internal affairs "when the danger is such that it exceeds the capacity of the ISF to confront it alone[95]".

Confessionalism and its effect, however, are a significant threat to the Lebanese law enforcement agencies. Confessional loyalty, for an important fragment of the Lebanese, supersedes loyalty to the nation. This is part of the fabric of Lebanese life. Ideally the Lebanese should develop a national spirit that goes beyond confessionalism, one that takes pride in its unique demographics, religious diversity and cultural richness. However, as Ralph Crow, a former professor at the American University of Lebanon puts it, "the military being a microcosm of the country as a whole does not offer the alternative which armies do in many other countries." The LAF and the ISF interior structures are rife with confessional rank distribution. As noted above, for example, the chief of the army has to be a Christian Maronite[96].

Many have criticized the army's role and its activities, especially during the 1960s. Writing in 1972, Elie Salem, the academic and politician, stated that "During the previous decade, the army both interfered in the electoral process, and through its intelligence arm, the Second Bureau, affected recruitment into the bureaucracy and promotion within it".

In more recent times, criticism has been focused on apparent conflicts of interest within LAF ranks that threaten its neutrality in times of crisis. Political leaders have consequently clandestinely armed factions in their political parties as they perceive the structural weakness of governmental institutions and their inability to function during political deadlocks, as was the case in the incidents of May 2008.

Transparency/ Complaints - enforcement mechanism

The ISF website is regularly updated with information about the agency's achievements. For example, a post in October 2008, the ISF credits the agency with solving on average 929 regular violations, 1,512 theft cases, 906 fights, 509 crimes, and 12,486 misdemeanors[97]. More recent statistics show that in one day (from July 26, 2009 till July 27, 2009) the ISF interceded in 40 incidents, ranging from suicides, gunshot exchanges, thefts, robberies, finding stolen cars, and preventing car thefts. The total number of people arrested that day was 36[98]. Once charged, they are remanded to the Lebanese judiciary.

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95 *Taef Agreement, 1989.*

96 *Working and Shortcomings of the Lebanese Political System by Dr. Edmond Melhem. www.geocities.com/CapitolHill/Lobby/3577/edmond_melhem.html*

97 *www.isf.gov.lb/Arabic/RightMenu/StatisticsandSearchs/Statistics/*

98 *www.isf.gov.lb/Arabic/RightMenu/StatisticsandSearchs/Statistics/Daily-statistics.htm and www.lebarmy.gov.lb/?ln=en*

Relationship to Other Pillars

Without proper law enforcement agencies all other pillars of the NIS are compromised. The confusion in the role of each branch of the security sector in Lebanon, leads to a sense of impunity where cronyism and political nepotism can continue unabated. When the basic security of citizens is put at risk because of a lack of credibility in law enforcement agencies, communal fears take precedent over collective safety. This increases the power of sectarian leaders, rather than the state, and results in heightened communal tension.

International actors, however, can help promote integrity by placing condition on aid. Foreign governments and international organizations have been keen to increase cooperative programs that provide training, financial and technical assistance. For example, the United States embassy provided USD 60 million to assist training needs of the ISF. It aims to train 8,000 recruits and 1,200 instructors to promote a more dependable law enforcement agency. Although only 400 ISF members have been trained to date, this is a positive step and one worthy of increased attention. There is also an ongoing project to enhance the ISF's role in crime scene investigation.

The LAF has received large amounts of military aid from the United States, the second highest amount per capita after Israel.[99] The allocation of USD 380 million per year has placed new responsibilities on the LAF to make account for how the money is spent and aid allocated.

Outside pressure is forcing both the ISF and the LAF to provide more detailed reports on what they are doing, which is a positive step towards more transparency in the financing and administration of the security sector. This measurement also represents an informal mechanism to hold officials accountable and to enhance coordination between the three security agencies of the state, the third of which plays less of a role.

99 *Schenker, David. «The Future of U.S. Military Aid to Lebanon», Washington Institute for Near East Policy. October 2008.*

9.
PUBLIC CONTRACTING SYSTEM

Resources/Structure

The Public Contracting System, established in 1959 as an administrative arm of the Council of Ministers, is one of the most challenging institutions to examine in Lebanon. Very limited information exists around contracting and there is no information available about the size of the procurement market. Clearly transparency is an issue. By contract, the general economy, as argued in the business sector pillar, is open and free.

Article 7 of the Procurement Code indicates the possibility of designating a special committee in each governorate, or district, to oversee procurement. Article 15 stipulates that the members of the committee should be local employees. In practice this does not happen. Since its establishment, the Administration of Tenders has remained centralized in the office of the Central Inspection and there are no branch divisions in district offices. All contracts are decided centrally. The Administration of Tenders, in accordance with the procurement code, performs procurements related to all public administrations, except those that are linked to the ISF, the army, municipalities, public agencies, and autonomous institutions.

Chapter 5 of the Legal Decree No. 2460 issued on November 9, 1959 (organization of the Central Inspection) regularizes the Administration of Tenders. Thus, the administration of Tenders is not established by a law, but rather by a decree, contrary to the principals of establishing general directorates. This means that it is weaker.

The budget of the Administration of Tenders is part of the Central Inspection budget, and the directorates do not receive additional funding.

The Central Inspection has had a website since March 7, 2003 (www.cib.gov.lb); a section of this website is dedicated to the Administration of Tenders.

A further development in terms of improving the system of government tenders to the private sector is the introduction by the Office of the Minister of State for Administrative Reform (OMSAR) of a system for e-procurement. The idea was first discussed, and a strategy was drafted in December 2002. In January 2008, however, OMSAR published an E-government Strategy for Lebanon.[100] One aspect of the government's new e- strategy is the preparation of e-procurement guidelines, meaning that the government would manage tenders for government procurements online. In terms of anti-corruption measures this can be seen to have advantages: the information on tenders is publicly accessible and there is less interaction between the bidders and the government officials managing the tender, reducing the potential for bribes. The aim of the new e-procurement Strategy is to create a 'more effective government, better and easier procedures for the private sector [and] greater transparency in purchasing'[101].

The procurement system is linked to the public accounting law and to the procurement system Decree number 2866 issued on 16/12/1959.

The Public Procurement Directorate supervises the procurement process and approves all contracts exceeding LBP 75 million (USD 50,000). A public tended is required for the procurement of all other goods and services exceeding LBP 800,000 (USD 535). The ISF, the army, municipalities, public agencies, and autonomous institutions, are subject to special procurement systems.

Generally these tenders are published in the press and the Official Gazette.

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100 msib.omsar.gov.lb/Cultures/en-US/Publications/Strategies/EGov_Strategy08.htm

101 United Nations, Public Sector Transparency and Accountability in selected Arab countries: Policies and Practices, New York, 2004.

Domestically financed tenders usually favor Lebanese over foreign bids if they are no more than 10 per cent higher. [102]

In the absence of access to information and whistleblowers' protection legislation, there is very limited transparency and accountability in the procurement process. There is no one specific law regulating all aspects of government procurement in Lebanon. The government does not always establish "clear rules of the game". In practice the public contracting system is subject to the system of patronage that is rife throughout Lebanon. Lebanese investors routinely pay bribes to win contracts and political interference exists in contract awards. Contracts are not awarded to the most qualified applicants. The Administration of Tenders formally awarded only 2.4 per cent of the USD 6 billion worth of projects contracted by various government bodies. The rest of these contracts were allegedly awarded to the company ready to pay the highest bribe.

Although there are clear rules on financial responsibilities, based on laws and executive directives, in many cases they are not applied rigorously.[103]Transparency in government operations needs the provision of reliable information on the government's fiscal policy intentions and forecasts. The Lebanese law does not include independent provisions dealing with fraud and corruption in public procurement. It cites some texts related to the subject in the Penal Code Decree No. 340 Date 1/3 /1943, which is punishable by imprisonment from three months to three years or a fine of 200,000 LBP (USD 134) to LBP 1 Million (USD 665). These punishments apply to:

- Individuals who have been appointed to sell, purchase or manage the movable or immovable funds property on behalf of the State or on behalf of public institution, if convicted of fraud in one of these actions or contravenes the provisions either for self-gain or taking into account some groups to damage another groups or making damage to the public interest or funds, or committing grave and serious error.
- Individuals who have been associated with a contract of public works or the provision of supplies or services with one of those stakeholders set in the preceding paragraph … And they intentionally delay, or intentionally plan to block the implementation of a project to detriment the state projects or to make self profit or to benefit other persons, or to commit fraud in the type or the characteristic of materials used or provide or in their installation.
- Contractors who agree in collusion with each other to disrupt the subcontracting process.
- The Employee who is delegated to supervise the deal in case of discrimination between the assigned contractors, or if overlooked or neglected monitoring or violation.
- Contractors or intermediary or any other person who presents, as a result of contracting or mandated operation or in any other way, damaged or invalid equipment.[104]

102 www.pogar.org/countries/theme.aspx?t=12&cid=9

103 United Nations ,Public Sector Transparency and Accountability in selected Arab countries: Policies and Practices, New York, 2004, P 66

104 Penal Code Decree No. 340. Date 1 / 3 / 1943.

The following table demonstrates in practice the level of transparent disclosure in different Arab countries. Lebanon has the lowest score in all but two categories.

Overall Procurement system percentage of Respondents Indicating "Always" and "Frequently" Practiced

Practice	Jordan	Lebanon	Morocco	Sudan	Tunisia	Yemen
Staff with adequate experience and Skills	78	25	36	55	58	45
Standardized Documents	94	45	51	65	64	60
Contracts awarded by public competitive bidding	94	60	76	70	58	66
Sufficient time allowed to prepare bids	89	50	72	70	52	63
Contracts awarded to the responsive and qualified bidder with the lowest cost and without negotiation	89	25	48	19	37	39

**United Nations, Public Sector Transparency and Accountability in selected Arab countries: Policies and Practices, New York, 2004, P 32)*

Public Contracting clearly suffers from clientelism, whereby political leaders take advantage of their position to promote the interests of their own communities. Additionally, as with many other pillars, the institutionalization of corruption in public contracting is aided and abetted by the lack of an access to information law, which would render the tendering process public.

10.
OMBUDSMAN

There is no state Ombudsman in Lebanon, making the channels of communication between citizens and the state very complex. A law to establish an Ombudsman in Lebanon was submitted by the Council of Ministers to the Parliament and voted on February 4, 2005 (Law no. 664). However, the decrees to implement the institution and make it operational did not follow so it was never established. Lebanese citizens, therefore, have no recourse to an institution to protect them or resolve administrative issues. [105]

The only initiative close to an ombudsman was the Presidential Complaints' Office, established in 1998 but disbanded because it was inefficient.

When President Emile Lahoud was elected he suggested a set of reforms targeting the development of public administration. The Complaints Office was set up to receive and process criticism from citizens about the Lebanese public administration. Between 1998 and 2000, the bureau received more than 10,000 requests, just under half of which were properly answered. [106] The bureau earned a reputation for inefficiency and was criticized for its lack transparency and neutrality. In addition it did not to have legitimacy under the Constitution rendering it in effect toothless, as far as the population was concerned. [107]

In 2002 the government set up a special commission made up of jurists, judges, academia, experts, and civil society activists as part of the Office of the Minister for Administrative Reform (OMSAR), to work on the draft version of a law to institute an Ombudsman in Lebanon. Local consultation sessions were held to discuss issues specific to Lebanon such as sectarian representation. The initiative received international support from experts sharing best practices and a round of consultations with ombudsmen from around the world. [108] The law was ready by November 6, 2003 and submitted to the Council of Ministers, but was not presented to Parliament until early 2005. However, the timing coincided with the assassination of Prime Minister Rafic Hariri, which was followed by a political deadlock, and the attempts to institutionalize the Ombudsman were frozen. In October 2008 an organizational decree was prepared regarding the implementation of the institution and its modus operandi. However, up to now, the Council of Ministers has not voted on the decree. [109]

105 *Sleiman, Issam. Priorites pour la reforme et l'innovation de l'administration publique Libanaise.*
106 *Safa, Osama. "The Official Campaign against Corruption in Lebanon". LTA: Beirut. 2000.*
107 *bid.*
108 *Khatib, Hadi. "Saad Calls for Local Independent Mediator to Field Complaints: Ombudsman needed despite existing laws". Daily Star, Beirut. May 2002.*
109 *Commission of the European Communities. Implementation of the European Neighborhood Policy in 2008. Progress Report Lebanon. CEC: Brussels. April 23, 2009. Page 4.*

11.
GOVERNMENT ANTI – CORRUPTION AGENCIES

Lebanon does not have a national anti-corruption commission, and there is no another institution that acts or has the prerogatives of such a commission. However, in 2008 the Lebanese government ratified the United Nations Convention against Corruption (UNCAC), as announced in the Official Gazette, as law 33/16-10-2008, and is thereby committed to establish a preventive anti-corruption body as stipulated in Article 6 of the convention.

No formal discussions have taken place yet on whether to develop the mechanisms to implement the UNCAC, as the country continues to be paralyzed by a political stalemate. The ratification of the UNCAC also coincided with the pre-electoral period in Lebanon, and thus, very little focus was put on reform, but rather on questions related to the elections. It is hoped that once a cabinet is chosen following the June elections, there will be a new focus on reforms. However, four months after the June elections, political wrangling led to the resignation of the Prime Minister-designate on September 11, 2009, and another political crisis.

There have been some steps towards establishing a National Anti-Corruption Commission but these have primarily been individual initiatives rather than concrete efforts by major political players. For example, in November 2007, one MP presented a private bill in Parliament that outlined a national anti-corruption law and a national anti-corruption commission. The bill was finally debated and voted on by the Legal Commission of the Parliament in late 2008 early 2009. It is currently waiting to be put on the agenda of the newly elected Parliament. [110] The bill focuses on fighting corruption in the public sector by curbing abuse of citizens' rights in public services, reducing damages to the economic institutions, and by allowing free trade and commerce. The main provision calls for a National Anti-Corruption Commission to promote integrity, transparency, accountability, and good governance in the public sector especially for issues related to finance. The draft law elaborates on the prerogatives of the commission, its budget, its members and their mandate. [111]

Several organizations are preparing modifications to improve the content of the private bill, including the Lebanese Parliamentarians against Corruption (LebPAC), the national chapter of the Global Organization of Parliamentarians against Corruption (GOPAC) which is also part of the National Network for the Right of Access to Information (the Network).[112] The Network is a multi-sectoral group, including among others Ministers and Members of Parliament, as well as Civil Society representatives. It was established in order to advocate for the adoption and implementation of Access to Information and Whistleblowers' protection legislation. The Access to Information proposed draft law has been directed to the Parliament in April 2009. A formal presentation and lobbying process will start as soon as the new Cabinet is formed. The draft Access to Information law stipulates among its articles the importance of establishing an independent National Anti-Corruption Commission that can respond to complaints made by citizens and public officials.

110 *Interview with Mr. Ghassan Moukheiber, Member of the Lebanese Parliament. The interview was conducted on September 3, 2009 by Gaelle Kibranian and May Noureddine at the Parliamentary Offices in Beirut.*

111 *Annahar, issue 23187, p.7, 21-11-2007*

112 *Interview with Mr. Ghassan Moukheiber, Member of the Lebanese Parliament. The interview was conducted on September 3, 2009 by Gaelle Kibranian and May Noureddine at the Parliamentary Offices in Beirut.*

12.
MEDIA

Resources/Structure

Lebanese media institutions are the strongest and freest in the Arab world. They enjoy freedom of the press, and there a few hurdles for new operators to enter the market. Article 13 of the Lebanese Constitution, confirms Lebanon enjoys "freedom of expression by word or pen, and freedom of the press" within the limits set by law. On the 2006/2007 Media Sustainability Index (MSI), Lebanon scored 2.45, the highest in the region and was classified as have "nearly sustainable" media. This means the media in Lebanon meet certain criteria regarding legal norms, free practices, and a degree of freedom.[113]

As with all Lebanese institutions reviewed in this study, the media suffered from the consequences of the Lebanese civil war. In the first few years following the 15 years of war Lebanese media outlets found themselves facing structural, technical, and financial challenges. But given the legal reforms introduced in the section, it was able to limit abuses of power and become a relatively free press.

The post civil war years saw a mushrooming of broadcasting stations and print media. Lebanon today is home to more than 100 print media institutions (including newspapers, periodicals, and magazines), including 13 daily newspapers, more than 33 radio broadcast stations, and 9 television stations that broadcast nationally and regionally.[114] Moreover, in the past few years the use of new media has skyrocketed with the growth of Internet connections. In 2006 it was estimated that 950,000 people, or about one in four of the population, had Internet access.[115] Today nearly three quarters of all media institutions, and in particular print media, have a web presence.[116] Not surprisingly, the use of political, economic, and social information and news websites has multiplied in recent years. Now Lebanon, Lebanon Files, Al Nashra, and Al Akhbar are today among the 20 most visited sites in Lebanon, along with websites of the political parties (Tayyar and Lebanese Forces), as well as social networking forums, such as Facebook (the most visited site) and more recently Twitter.[117] The same can be said about blogs, which have proliferated in the past few years. Many blogs were used to cover and campaign for the 2009 Parliamentary elections. There is no legislation in Lebanon to regulate web-based media (and the Internet in general).

The media market in Lebanon is extremely diverse and covers a range of topics including politics, economics, financial, social, environmental, and cultural. Lebanese media institutions publish or broadcast mainly in Arabic, but English, French, and Armenian are also commonly used.

Almost all media institutions are privately owned, except for Tele Liban and Radio Liban that are run by the state. Most are controlled by the country's main political players, parties and confessional leaders. Even new media technologies and online media organizations are "… by and large owned by single or multiple related stakeholder", and are linked to political parties.[118] As such, there are "solid links" between politicians and media institutions in Lebanon, "…which in turn affect the organizations' objectivity, news coverage, and programming". [119] The media is thus a true reflection of the state: polarized, and divided along confessional and political lines. This, indirectly, restricts its freedom.

A survey conducted in 2009 showed that there is little staff training at media outlets and most (70 per cent) do not have clear organizational structures that define job descriptions and roles. This was particularly true of new media outlets[120]. Staff

113 *International Research and Exchanges Board (IREX). Media Sustainability Index 2006/2007: Development of sustainable independent media in the Middle East and North Africa. IREX: Washington DC. 2008. Page 77-78.*
114 *IREX. Page 78.*
115 *Figure from CIA's World Factbook at https://www.cia.gov/library/publications/the-world-factbook/geos/le.html*
116 *Interviews Network. Behind the Scenes: Transparency in Lebanese Media Business Practices 2009. Interviews: Beirut. March 2009. Page 46-48.*
117 *alexa.com/topsites/countries/LB*
118 *Ibid. Page 15.*
119 *Ibid. Page 14.*
120 *Ibid. Page 22-25.*

is made up of both full time and part-time employees in addition to volunteers. Financing for media outlets is precarious, though it appears that over the years funding shortfalls have generally been dealt with by the political elites. Salaries of journalists are relatively low compared to the private sector, and journalists often need to supplement their income with second jobs.[121] The low salaries are also a way for the political elites to keep their grip over the media institution, and to control the level of published/broadcasted information. By providing selected reporters/journalists with a second salary, the ruling elites are able to select the information to be published.

Accountability

Freedom of speech and press is first and foremost guaranteed in Article 13 of the Lebanese Constitution and also backed up by subsequent media laws. The legal framework was further clarified to guarantee freedom of expression and limit abuses after the civil war.

Media regulations for print and broadcast institutions lie in the hands of the government, and requirements are comparable to that of Western states. However, there are limits to the level of freedom, given that in Lebanon, licensing is mandatory to start a media institution, and this is a costly procedure. It is worth noting, however, that these regulations do not apply to new media technologies yet. [122]

The legal framework governing the media in Lebanon was instituted after the civil war. The "Audio Visual Law", for example, included curbs on censorship, and subsequent legislation enshrined freedom of the press. Lebanon can rightly claim to have the freest and liveliest media institutions in the Middle East and North Africa. [123] There were virtually no challenges to press freedom from the 1990s to the early 2000s, especially compared to regional counterparts. In fact, Lebanon's press and broadcast institutions have been free to publish a variety of viewpoints, and as most political parties or political leaders own media outlet all conflicting ideas are well-aired in public.

In 2002, however, the unstable political situation led to a press clamp down. The Prosecutor General of the State ordered the closure of the privately-owned television broadcasting channel Murr Television (MTV), for illegal media campaigning. MTV is owned by Gabriel el Murr, a candidate in a Parliamentary bi-election. Gabriel el Murr was accused to have used MTV for campaigning, as well as for promoting his anti-Syrian agenda. [124]

It is worth noting that until 2008, there were no regulations governing political advertisement in Lebanon. For the first time, the 2008 Electoral Law No. 25, introduced a law that stipulates the conditions for Electoral Media and Advertising. Its details primarily cover prices, airtime allocation, impartiality, and freedom of expression. It is too early to determine what effect the law will have.

Since 2002 things have gone from bad to worse and reached the nadir in 2005 with the assassination of journalists. Two major media figures from the daily newspaper An-Nahar, Gebran Tueini and Samir Kassir were assassinated, and an attempt on the life of May Chidiac, anchor at LBC was made in September of the same year. The perpetrators of the crimes have not been identified yet. All three journalists had actively opposed Syrian interference in the country.

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121 Abu Fadil, Magda. "Lebanese Women Journalists Need Better Jobs, Regular Training, and More Money", The Huffington Post. November 23, 2007.

122 Interviews. Page 18.

123 International Press Institute. 1999 World Press Freedom Review. www.freemedia.at/wpfr/Mena/lebanon.htm

124 A legislative amendment in August 2005 permitted the re-opening of the TV station. The latter has been operational and airing since April 7, 2009.

A recent report, published by the National Observatory of Freedom of Opinion and Expression (Maharat Foundation), states that "journalism lacks objectivity and freedom in Lebanon". [125] Without any formal body to protect journalists, the latter have been working in a hostile environment, where they face harassment. As stated in the report by Maharat, the media institutions are also an arena for polarization and "the media outlets have become part of the propaganda and military machine of the political forces". [126] The independence of media institutions is disputed, especially given that most outlets are owned and financed privately political parties.

It used to be possible to publish all manner of criticism in Lebanon. However, this is changing. In 2007 Reporters without Borders found that five journalists had been fined for libel, allegedly for harming the reputation of the President of the Republic and the Judiciary. [127] There were also reports of clashes between reporters covering sensitive issues such as the Naher Al Bared disturbances and the army[128]. More recently, on July 22, 2009 Ghada Eid, host of a talk show on New TV, which investigates cases of corruption, received a warrant of arrest for slander and defamation; she was released on bail after paying 6 million Lebanese Pounds (4,000 USD) in mid-September 2009.

More recently, press freedom was limited during the 2009 Parliamentary Elections using to the rules and regulations that were introduces for Media and Advertisement. The electoral law also established the Supervisory Commission on Electoral Campaign (SCEC), which among others things, was mandated to overview the implementation of media regulations. To date, the SCEC has published three reports, which look at alleged violations and media coverage. The highest portion of violations noted in the reports deal with slander, libel, and defamation and the largest portion of these violations were allegedly perpetrated by radio stations.[129] Other violations also include incitement, intimidation, and accusations of disloyalty.

Censorship remains a problem both legally enforced and journalists' self-censorship. According to Article 50 of the 1962 Lebanese Press Law, the Ministry of Interior and Municipalities (MoIM) can authorize or reject broadcasts and publications in various areas. The law was slightly amended in 1994 to limit censorship to material pertaining to political opinions, national security, religious figures and pornography

As for licensing, although the 1962 legislations showed openness in this regards, in 1994 conditions were introduced that restricted licenses. A large number of institutions closed because of newly introduced high fees and harsh conditions stipulated by the law. [130] The National Council for Audiovisual Media (NCA), which is appointed by the Lebanese government, grants licenses that can be easily withdrawn, as was the case with MTV in 2002 as noted above.

125 *Maharat Foundation. Freedom of Opinion and Expression in Lebanon. Maharat: Beirut, 2008. Page 2.*
126 *Ibid.*
127 *www.rsf.org/Lebanon,25436.html?Valider=OK*
128 *Ibid.*
129 *elections.gov.lb/SCEC/SCEC-Reports.aspx*
130 *IREX. Page 80.*

During 2008, Maharat monitored attacks against journalists to measure the level of freedom. The following violations were observed:

Types of Violations against journalists	Classification	Occurrence
Physical attack	Shooting/Beating	10
Moral attack	Frightening, intimidating, threatening	6
Violation of the freedom of coverage	Prohibition of coverage	5
Violation of personal freedom	Detention	4
Legal Sanctions	Fines and/or prison sentences defamation of public persons	6
Legal attacks	Prior censorship on foreign publication	2

Source: Maharat Foundation

The abovementioned attacks are all politically motivated. However, freedom of the press in Lebanon is also threatened by the lack of capacity. Few journalists receive training in investigative techniques, no university courses offered for investigative journalist and no protection under law for investigative journalists. Lebanese journalist must go abroad to study or seek help from civil society. Despite these difficulties, Marlene Khalifeh, a Lebanese journalist has won international awards two years running (2004 and 2005) for the best investigative reports from the Arab region.

This dearth of investigative journalism can be blamed on two things: a lack of freedom of information and the absence of a whistleblowers' protection law. Journalists must rely on leaked documents and are not encouraged to dig for the truth or unearth scandals.

Despite this, in the late 1990s, the Lebanese media took up the cause of fighting corruption with some success. They demanded administration reforms and the enforcement of existing laws. Local newspapers have also called for reforms and exposed scandals by public officials. The Daily Star established a desk with phone and fax numbers dedicated to taking complaints and calls regarding corruption. The Daily Star and An-Nahar published many scandal stories and the Rough Guide to *Bakhsheesh* (Arabic for tip/bribery), a list of prices for bribes that one has to pay for public administration procedures. [131]

In 1996 the print media exposed a major financial scandal involving employees at the Ministry of Finance who were accused of "stealing government money and that investigations are going on in order to determine the sums stolen". [132] In 1998, An-Nahar, a daily newspaper, revealed that the Director of the National Bureau of Medicine (NBM) was embezzling funds. The articles forced the MPs to speak about this case to the media.[133] More recently in 2005, a few months before the Syrian troop withdrawal, New TV launched a weekly talk show called Al Fassad (Corruption), which investigates and addresses corruption cases in Lebanon and the Arab region. The show has publicized several cases of corruption, sometimes targeting high level officers. For example, in May 2007, it alleged the Minister of Justice Charles Rizk had embezzled state resources in a public

131 *Oussama K. Safa, The Print Media and Corruption In Lebanon, Lebanon Case Study No. 6, The Lebanese Center for Policy Studies.*
132 *Ibid, citing An-Nahar issue of October 8, 1996.*
133 *Ibid. page14.*

contracting process by favoring a company he had stake in. The Minister sued New TV for libel and slander.[134]

The fact that media outlets are linked to politicians should not mislead audiences. The media became the main forum of interaction between the public and the government, not only in transmitting news but also putting pressure on the government and calling for change. More recently there has been a crackdown on investigative reporting, through intimidation, but in the past the media operated in a relatively free environment.

Integrity Mechanisms

The laws governing the media in Lebanon do not cover developments in new technology. Essentially the media has been governed by the 1974 "dignity at work bill" which offers no protection to whistleblowers or freedom of information.

In May 2008 the UNESCO Regional Office in Beirut and the National Media Council published a "code on the Lebanese media" following a year of research and discussion. It includes a media code of conduct, which defines the relationship between the media and citizens and outlines many principles and values such as, freedom, neutrality, accuracy, independence, and commitment. [135] For example, as of now there are no restrictions as to post-employment practices for journalists. It is very common practice in Lebanon for media figures to switch from one media outlet to another other. Media figures play a very active political role. Several media figures have been elected Members of Parliament in the past, and this still takes place.

Transparency and Complaints/Enforcement mechanisms

The lack of access to information legislation or freedom of information laws, as they are called in the US, hurts the media as well as other institutions studied in the National Integrity System

A recent initiative, the National Network for the Right of Access to Information, includes representatives of all sectors, including the media and aims at lobbying for an access to information law in Lebanon.

This law is a necessity for media outlets to function properly. It should be accompanied by a Whistleblowers' Protection Law to guarantee journalists can work without fear of retribution in a free environment. Without this second key legislation there can be no effective complaints' mechanisms.

Relationship to other pillars

Despite the lack of legal safeguards and the more recent threats facing the media, the media pillar in Lebanon is the freest in the Arab region. All political opinions are freely expressed because the media and the power elites are interconnected and each has control of a portion of the media to publicize their opinions. The media outlets interact with all other pillars, but they specifically promote the interests of a given community. The link between political interests and media are clearly understood by Lebanese citizens.

Finally, as for the other pillars, the media would clearly benefit from anti-corruption legislations, including a conflict of interest law, access to information law, and whistleblowers' protection law.

134 *IREX. Page 80.*

135 *www.almustaqbal.com/stories.aspx?StoryID=351329*

13.
CIVIL SOCIETY

Resources/Structures

Civil Society Organizations (CSOs) in Lebanon evolved in line with different phases directly linked to major historical events in the country. In *Le mouvement civil au Liban: Revendications, protestations, et mobilisations associatives dans l'apres-guerre,* Karam Karam, distinguishes four phases of the evolution of Lebanese CSOs.

The first traces of civil society in Lebanon go back to the 19th century when Lebanon was still under Ottoman rule. It is during this period that the Lebanese 1909 Law of Associations was developed. This law is still in practice today. Back then, organizations reflected the familial and communal structure of the country, and were established to respond to social needs. They were part of churches, mosques, schools, and other forms of social associations. Over time, and up to the middle of the 20th century, CSOs developed a more philanthropic aspect, with organizations that are still operational today such as the *Makassed Al Khayriyya al-Islamiyya* (Muslim Philanthropic Organization) or the Young Men's Christian Association (YMCA).

This period was followed by a phase of reforms in Lebanon (1958-1975) when the number of established organizations multiplied and the nature of activities diversified, and links were created between CSOs and public institutions. Syndicates, cooperatives, and unions, were established during this period. However, the rise of confessionalism threatened this positive development of Lebanon's CSOs, which introduced a wave of patronage and clientalism under the mandate of President Suleiman Frangie in 1970. [136] Control of many organizations was concentrated in the hands of the elites. The result was that not all Lebanese citizens were served equally. The nature of the CSO sector changed dramatically during the Lebanese Civil war (1975-1990. CSOs became service providers, filling in the vacuum of the failed state authorities. CSOs expanded their roles to provide crisis relief, philanthropic activities, first aid, care for orphans, and were under the leadership of religious communities, influential heads of political groups, and militiamen. By the end of the war, 1,300 CSOs were registered with the Ministry of Interior and Municipalities[137]. They took on the job of Lebanon's reconstruction after the end of the war.

It was only in the mid-1990 that the focus of CSO activities shifted from emergency and relief, to institutional reform. At that time they started to concentrate on issues such as democracy, human rights, women's rights, electoral reform, sustainable development, corporate governance, good governance, anti-corruption, transparency and accountability. One of the first organizations that dealt with issues of governance was the Lebanese Association for Democratic Elections (LADE), which was established in 1996 with the main aim of ensuring that Lebanese elections are fair and democratic. LADE has been active since then and has monitored four parliamentary elections and several municipal elections.

In 1998-1999 the Lebanese Center for Policy Studies (LCPS), brought together researchers, experts, lawyers, economists, businessmen, and academia for a research project on corruption in Lebanon. This gave birth to the Lebanese Transparency Association (LTA), which was established in May 1999. LTA is the first and only Lebanese NGO that aims primarily at curbing corruption, promoting transparency and accountability. Since 1999, as discussed in more detail in the Anti-Corruption Activities section, LTA has implemented a wide array of anti-corruption projects in Lebanon, as part of its programs on Democratization and Public Accountability, Promoting Access to Information, on Corporate Governance, and on Youth against Corruption. In 2001, LTA became a national chapter of Transparency International (TI). Although, the Lebanese law of associations does

136 *Karam, Karam. Le mouvement civil au Liban: Revendications, protestations, et mobilisations associatives dans l'apres-guerre. Khartala: Paris. 2006.*

137 *Nasr, Salim. "Arab Civil Societies and Public Governance Reform: An Analytical Framework and Overview". (Conference paper : Good Governance for Development in the Arab Countries). Dead Sea, Jordan, February 2005. Page 8.*

not require CSOs to disclose their budget to the public, LTA makes it available in its annual reports. For 2008, LTA's budget was of USD 499,208. In 2008, LTA had a staff of 31 including an Executive Director, Programs Director, Program/Project Managers, Project Coordinators, a Financial Officer, Analysts, Researchers, and Consultants. The LTA Board has 11 members, and the organization itself has more than 100 members, and affiliated volunteers from diverse backgrounds and areas of Lebanon.[138]

Another Lebanese CSO with a mission to curb corruption is the Lebanese Parliamentarians against Corruption (LebPAC). LebPAC is the national chapter of the Arab Region Parliamentarians against Corruption (ARPAC). LebPAC operates closely with ARPAC in the implementation of its activities. LebPAC has six members who represent various political groups in Parliament. With the new Parliament voted in June 2009, ARPAC will enlarge its membership base. ARPAC has currently one full-time staff member, as the work is mostly done by MPs. [139]

In the years following the establishment of LTA, other CSOs in Lebanon have received funding to launch anti-corruption and good governance activities. In March 2001 USAID and the America-Mideast Educational and Training Services (AMIDEAST) launched the Transparency and Accountability Grants (TAGs) that encourage Lebanese CSOs to implement anti-corruption projects. Up to now 145 projects have received a total of USD 4.6 million. TAGs grants are available until 2010. The Lebanon Development Marketplace (LDM) has also provided funding for 13 Lebanese youth NGOs to implement good governance projects. Finally, LTA and the International Research and Exchanges Board (IREX) have started the Youth Civil Society Leaders. Among the 165 proposals received, IREX and LTA selected 28 youth groups to receive USD 5,000 each to implement anti-corruption projects across the country.

Role(s) of institution/sector as pillar of NIS

Article 13 of the Lebanese Constitution stipulates that the Lebanese have the freedom of assembly and association as per the limits guaranteed by the law. As previously mentioned the law that regulates Lebanese Associations is the 1909 Ottoman Law based on the French Law of Associations of 1901. The 1909 Law of Associations is the oldest law in place among Arab countries, and is still in practice today. Lebanon follows the "notification" or "declaration" registration system, a model implemented in France, the Netherlands, and Belgium, among other countries. [140] Establishing a CSO in Lebanon is very simple, as it does not require prior permit nor extensive cost, but only a notification to the government that the association was established (Articles 2 and 6). The procedure requires that association's founders deposit with the Ministry of Interior and Municipalities (MoIM) the sealed bylaws/statutes of the organization highlighting its mission, list of founding members, address, and objectives. Once these formalities are completed, the organization receives from a notification from the MoIM. The association acquires a legal status and can be declared as established (Articles 6 and 8). This liberal legal system renders the role of the public administration passive, and provides a margin of independence to the founders of organizations. [141] CSOs in Lebanon also have the freedom to set their own by-laws and statutes, as long as they do not infringe Lebanese Public Order.[142] It is the interpretation of this specific clause, which, as is demonstrated in the following paragraph, has limited the independence of Lebanese CSOs.

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138 More information on the Lebanese Transparency Association can be found at www.transparency-lebanon.org

139 For more information on the projects implemented by LebPAC refer to the Anti-Corruption Activities' section.

140 Makary, Marc. "Notification or Registration? Guarantees of Freedom of Association in Non-Democratic Environments: Case Studies of Lebanon and Jordan", The International Journal of Not-for-Profit Law. ICNL: 2007. Vol. 10, Issue 1, December 2007. However, Makary highlights that there are exceptions and some organizations need to submit more documentation and forms such as youth and sports organizations.

141 Ibid.

142 Baroud, Ziyad. "Internal Organization of NGOs", Internal Governance for NGOs in Lebanon. UNDP: 2004. Page 29.

In practice, especially in the aftermath of the civil war, the Lebanese government did not always follow the liberal practice as established by the Law of Association. Over the years many associations were dissolved, or deprived of their freedom of action. At the end of the 1990's the Ministry of Interior and Municipalities adopted a more controlling attitude that essentially changed the simple 'notification' system into a process of 'authorization'.[143] After the war, many associations had their activities limited and their independence challenged. This primarily affected organizations with a political brief. According to one expert, "The state could interfere with the registration of certain NGOs, or 'ask' (them) to change their aims and objectives". [144]

However as of 2005, and after the assassination of Prime Minister Rfik Hariri, the situation was reversed and a large number of new civil society organizations were granted registration permits. These new reform-minded organizations were led the anti-Syrian 'Cedar Revolution' in Lebanon. They were registered using the notification system. Since 2005 no group applying for registration has been rejected. There are currently more than 5,500 registered organizations with the Ministry of Interior and Municipalities, although only 700 actively implement projects on a regular basis.[145] Whether or not these organizations act independently is questionable. Since 2005 they have no trouble registering, but as with all sectors of Lebanese society they are sectarian by nature and affiliated to different religious communities. CSOs in Lebanon are also part of the consociational mosaic that is Lebanon, as "each sect in a sense projects its own civil society".[146] Lebanese CSOs are also financially dependent on major political/business figures that formed new militias after the civil war. These organizations are service-oriented, and create another form of kinship based on patronage. The result is a significantly larger number of so-called CSOs that reflect the policies of parties, political figures, and religious communities, than organizations that promote independent values that directly target the common good, such as good governance.

Little has been done in Lebanon to raise public awareness on issues related to corruption. To date, only the Office of the Minister of State for Administrative Reform (OMSAR), which was established in 1994, has made curbing corruption a priority. To this end OMSAR developed a Code of Conduct for Public Servants and a citizen's charter, which it has disseminated widely. In schools, corruption is barely mentioned although since 1946 (reviewed in 1997), the national educational program has included a course on National and Civic Education as part of the high school curriculum for 15 to 18 year-olds. The course focuses on civil laws, rights and duties, as well as human rights. [147] Most of the public awareness-raising for citizens on corruption happens through CSOs, and this is limited. To date, CSOs have not been threatened for promoting principles of transparency in Lebanon. In addition, no CSO or CSO Board Member has faced any charges pertaining to corruption.

In 2008-2009 the Lebanese Transparency Association (LTA) adopted Transparency International's (TI) model of Advocacy and Legal Advice Centers (LALAC) known as the Lebanese Advocacy and Legal Advice Center (LALAC), the first initiative of its kind in Lebanon. [148] However, LALAC's mission is only to provide legal guidance and assistance to victims of corruption, and develop an advocacy strategy to fight corruption based on cases it receives. CSOs thus play a passive role in the sanctioning of corruption.

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143 Karam, Karam. Page 78.

144 "Civil Society in Lebanon. Sensitive Political Issues are Avoided". Interview with Omar Traboulsi, conducted by Bernhard Hillenkamp. Qantara: 2005. www.qantara.de/webcom/show_article.php/c-476/nr-365/i.html

145 Ibid

146 www.pogar.org/countries/theme.asp?th=2&cid=9

147 As a response to the fact that only high school students are exposed to civic education classes, LTA along with UNDP has developed a program entitled "Good Governance from A to Z" which targets younger students. A booklet was developed in the framework of the program to explain in a child-friendly way the concepts linked to good governance. The booklet was widely distributed, and based on individual requests by schools LTA has implemented a series of workshops to work with children on awareness about corruption.

148 In Arabic the name of the center has been translated to mean the Lebanese Center for the Protection of Corruption Victims.

One positive step in the empowerment of CSOs in the fight against political corruption was the passing of the new Parliamentary Elections' Law in 2008. In article 20 the law provides CSOs the right to observe elections. This gives them the ability to monitor all infractions related to elections, specifically in terms of campaign finances, where most corrupt practices such as vote buying and abuse of official resources occur. However, again, the role of CSOs is limited to observation. It is the Supervisory Commission on the Electoral Campaign (SCEC) and the Constitutional Council that have the power to punish corruption under Article 11 of the law.

To conclude, Lebanese CSOs are relatively free and independent in their decision-making and action, however their role remains limited and further activities in areas such as advocacy, observation, monitoring, and lobbying, for reform should be developed.

Accountability

As previously noted, the main legislation that governs the establishment and functioning of CSOs in Lebanon is the 1909 Law of Associations, which has been effective since the Ottoman period. Since then this legislation has been subject to several amendments or supplemented by newer legislations, decrees, and binding decisions. In a study on the legal framework of associations in Lebanon, Mazhar el Haraka presents the following nine main laws that govern and regulate the work of Associations in the country and in effect strengthen the authorities' oversight capacity[149]:

- The Lebanese Constitution (through Article 13)
- The 1909 Ottoman Law of Association
- The 1911 Law of General Assemblies
- Public Unity Organizations, Legislative Decree (1977)
- Decision on Foreign Associations of 1939
- Penal Code (Section II)
- The International Covenant on Civil and Political Rights
- Documents required annually from associations (Decree No. 10830 dated 9/10/1966)
- The 2003 Decision of the Council of State (Majliss Al Shoura)

Lebanese legislations define an association as "a group composed of several individuals who unite their information and efforts in a permanent fashion and do not aim to divide profit". The number of members required to form an association is regulated by the 1911 Law of General Assemblies. Depending on the structure of the association, members play an active or passive role. Associations have grown along with the culture of volunteering that has spread in Lebanon.

In practice the association's general assembly (including founding members, board members, and the members at large) drafts the rules and regulations and constitutes the body to which the organization is accountable.

CSOs are also held accountable to the Ministry of Interior's Department of Administrative and Political Affairs by virtue of Decree No. 10830 (09/10/1966). In order to keep functioning, they must provide to the Ministry of Interior with the following information by the end of January of each year:

- A financial report of the preceding year
- An estimated budget of the current year
- An updated list of members with details on subscription fees, and
- In case of board elections, details related to this event[150].

149 *El-Haraka, Mazhar. "The Legal Framework of Associations in Lebanon", Internal Governance for NGOs in Lebanon. UNDP: 2004. Page 15.*

150 *Ibid. Page 26.*

Integrity Mechanisms and Transparency

The laws governing CSOs in Lebanon do not require much in terms of public reporting and integrity. There is no legally binding code of conduct or code of ethics. In addition, CSOs do not have to publish the documents they submit to the Ministry of Interior. As Lebanon does not have conflict of interest legislation, this causes a problem not only in the case of who and how CSOs are governed, but also in defining their relationships with other pillars (executive, legislative etc.) as will be further discussed below.

Integrity mechanisms within CSOs are thus a voluntary practice and depend on the good will of CSOs themselves. LTA for instance, upon its establishment in 1999, developed a code of ethics, which focuses on promoting transparency and accountability, implementing a democratic system of equal opportunities, and avoiding any abuse based on conflict of interest. LTA also publishes an annual report on its website and in hard copies (distributed to various stakeholders) which details the previous year's accomplishments and includes a financial report, and a budget estimate for the upcoming year. Nahwa Al-Muwatiniya, another CSO, also has a code of conduct/social contract which it publishes on its website and which stipulates its commitment to good governance and accountability.[151] Most Lebanese CSOs usually publish a list of funders and partners on their websites, but financial reports are practically non-existent.

Relationship to other Pillars

The environment in which Lebanese CSOs operate remains the most liberal in the Arab region, with minimal interferences despite an overall lack of transparency and internal governance. In fact, Lebanese public authorities have made efforts to include CSOs in the decision-making process. Some individual initiatives sponsored by Ministers have allowed a more participatory approach to law making. For instance the Ministry of Finance has for the past year, held roundtable discussions with civil society activists to solicit inputs on the budgetary process. CSOs were invited by the National Commission for Electoral Law, known as the "Boutros Draft Law Commission", to provide their views on electoral reforms in Lebanon. From 2007 CSOs have also been included in international processes aimed at ending the political stalemate. For example, two CSOs' representatives were invited to participate in the talks of La Celle-Saint-Cloud in France to negotiate along with Lebanese political figures, and international brokers, Lebanon's ongoing political crisis.

CSOs are a key pillar in Lebanon and interact with other pillars, which share their goals. For example, the media is a key partner for Lebanese CSOs. This is important because Lebanon does not have an access to information law. CSOs work closely with the media to promote investigative journalism and raise awareness about anti-corruption measures. CSOs also maintain close relationships with the business sector; the 1909 Associations' Law, which regulates CSOs also regulates the composition and actions of business and trade associations, as well as syndicates and unions. This same law also regulates Lebanese political parties, which raises the issue of conflict of interest, or rather the lack of any legislation to regulate it.

It is very easy in Lebanon for people to accumulate mandates. One person can be an MP and/or Minister, a key political party figure, but also the head of an NGO, CSO or a foundation. There is a clear need for conflict of interest legislation to ensure the independence of CSOs, and to limit the ability of politicians to manipulate them for political ends.

In the absence of such framework, Lebanese CSOs are striving to promote reforms through monitoring activities and suggesting legal reforms. As part of the Lebanese Electoral Observers Coalition (CLOE), Lebanese NGOs and CSOs

151 www.na-am.org/about-na-am-social-contract.html

monitored the parliamentary elections of spring 2009, but more specifically they monitored the performance of the Ministry of Interior and Municipalities and the Supervisory Commission on the Electoral Campaign, which is linked to the Ministry. For a couple of years now, the Lebanese Physical Handicapped Union has been looking at the performance of public authorities in the budgetary process, through the Lebanese Alternative Budget Process. Nahwa Al-Muwatiniya launched the Lebanese Parliamentary Monitor to closely follow-up on the activities of MPs to promote a culture of transparency and accountability.

Lebanese CSOs have also been working towards legislative reforms. In April 2008, the National Network for the Right of Access to Information united to promote access to information and whistleblowers' protection laws. In April 2009 the Network submitted to Parliament a draft access to information law, and is now lobbying for its adoption. This could happen. In 2005, the Civil Campaign for Electoral Reform (CCER) came together to promote electoral reform. The group participated in the Administration and Justice Commission of the Lebanese Parliament, held town-hall meetings throughout the country, held meetings with major representatives of parliamentary blocs lobbying for an eight-point reform plan. When the law was adopted by Parliament in September 2008, many of the reforms suggested by the CCER passed partially or fully, although more reforms need to be lobbied for in the future.

14.
BUSINESS SECTOR

Resources/structure

The economic system in Lebanon is distinct from that of its neighboring countries as it enjoys an open and free economy that relies on services, mainly tourism, and banking. In 2007 the share of the services sector totaled 75.9 per cent of GDP.[152] The Lebanese economy is primarily dominated by Small and Medium Enterprises (SMEs) and Family Owned Enterprises (FOEs). According to a survey on Corporate Governance (CG) in Lebanon, 95 per cent of the 298 companies surveyed in the Greater Beirut Area are SMEs, and 58 per cent are FOEs.[153] It is also worth mentioning that as a result of the Legislative Decree No. 34 on commercial representation issued in 1967, companies can authorize exclusive agencies or franchises for their brands, for example, carmakers and luxury brands.

Lebanon has always had a market-based economy that is open and liberal. Private companies have historically been the only players in the local market and the state has never nationalized or expropriated privately-owned firms. For the most part, private companies do not have to compete with state entities or have to worry about government monopolies, as is the case in many other Arab countries. The Lebanese state owns two mobile phone networks, MIC1 and MIC2, and has entered into agreements with two private firms for the day-to-day management of the mobile businesses, which includes operations, billing, marketing, maintenance and other activities. The state also owns the electricity utility Electricité du Liban (EdL), flag-carrier Middle East Airlines (MEA), and the Intra Investment Company that owns the Finance Bank, Casino du Liban, and real estate assets.

In an effort to reduce public debt and reform the Lebanese economy, the Lebanese government developed an economic reform program that was supported by international donors at the Paris II meeting, held in November 2002. This program included reforms such as the privatization of state-owned entities starting in 2003. However, the government was unable to implement the structural reforms pledged at the Paris II conference, specifically pertaining to the privatization portfolio. In January 2007, the Paris III donor conference again included efforts to restructure the energy sector and liberalize the telecommunications sector. The privatization of the two mobile phone network was postponed due to political instability and market conditions, while the restructuring of the energy sector has been put on hold.

The Lebanese Government's Paris III reform program intended to work towards ratifying a modern competition law and removing state protection by 2007, including the ability to grant exclusive rights for brands and goods (which could lead to monopolistic practices). The new draft of the competition law was adopted by the Council of Ministers in October 2007 and submitted to Parliament. The draft law includes the creation of an independent national Competition Council with a specific mandate. 'The Competition Council's competences will apply to both private and public undertakings. Lebanon also intends to develop a mechanism to exchange information on the total amount and distribution of state aid granted, so as to ensure transparency.'[154]

Anti-corruption initiatives in the business sector are voluntary. In Lebanon, it is the syndicates and business associations that play a lobbying role on behalf of the private sector. The predominance of the private sector in the Lebanese economy has led to the formation of several associations that represent business interests. Currently, there are 14 business associations that can be divided into national associations and regional/local ones. Business associations have had an impact on reforms in the Lebanese business sector. For instance, the Beirut Traders Association initiated many governmental decrees and laws. Also, the Association of Banks in Lebanon has pushed for many finance sector reforms, including an anti-money laundering law. Other business associations such as the Lebanese

152 *www.cia.gov/library/publications/the-world-factbook/geos/le.html#Econ.*
153 *www.lcgtf.org/default.asp?pageid=48&action=viewDocs&ln=eng&Docsid=74*
154 *ec.europa.eu/world/enp/pdf/progress2008/sec08_397_en.pdf*

Businessmen Association, better known as the *Rassemblements des Dirigeants et Chef d'Entreprises Libanais* (RDCL) brings together Lebanon's more prominent businessmen and opinion makers to protect economic liberalism and the interests of Lebanese enterprises. RDCL has launched a code of ethics and conduct applicable to all RDCL members. The American Lebanese Chamber of Commerce (AmCham) and the Better Business Group have recently launched the Better Business Values for its members and other companies and individuals wishing to abide by principles of good governance at the private sector level. The Federation of Chambers of Commerce, Industry, and Agriculture has joined the efforts of the National Network for the Right of Access to Information to lobby and advocate for anti-corruption and whistleblowers' protection laws in Lebanon.

Role(s) of institution/sector as pillar of NIS

Lebanese companies are subject to rules and regulations, and laws pertaining to their establishment, operations, insolvency and winding up. According to the 2009 Doing Business report, the time needed to open a business in Lebanon improved from 46 days to 11 days.

In 2006, the Foreign Investment Advisory Service (FIAS) surveyed more than 450 Lebanese enterprises from all sectors. The study found that corruption is the main obstacle to investment.[155] Despite the fact that the Lebanese penal code stipulates that it is a criminal act to give or accept a bribe, and its penalty is imprisonment for up to three years, 60 per cent of the Lebanese firms surveyed reported that 'they must give gifts or informal payments to public officials to get things done, and these gifts impose an annual tax equivalent to 5 per cent of sales'. [156]

Over the past decades, the absence of corporate governance in Lebanon has greatly contributed to the number of corporate failures. For example, Lebanon has been hit by a number of banking scandals. In the 1960s the collapse of Intra Bank resulted in the creation of a banking supervisory body, the Banking Control Commission (BCC) under the control of the Central Bank. But this seems to have had little effect. In the 1980s scandals hit a number of banks including Mebco, Al-Mashrek, Al-Ahli Bank, and more recently Al Madina Bank in 2004, which allegedly ran a USD 1.65 billion money-laundering operation.

It is only recently, and on a voluntary basis, that the banking sector has shown any interest in corporate governance. For example, BCC is now focusing on spreading a culture of internal audit and risk management practices within the banking sector in order has been pushing corporate governance and the implementation of Basel II as a means to promote transparency and solvency in the Lebanese banking sector.

To this end, the BCC has put in place several measures to combat money laundering and terrorism financing. The anti-money laundering law was passed by the Parliament on April 20, 2001. The law defines money-laundering operations, and stipulates the fines and imprisonment penalties for such offences. The law also requires the establishment of the Special Investigation Commission (SIC) as an independent legal entity with judicial status. The SIC investigates suspicious transactions, decides on the seriousness of evidence, and has the exclusive right to lift banking secrecy, thus enabling the competent judicial authorities and the Higher Banking Commission to take the necessary measures[157]. Lebanon has been continuously working towards incorporating the Financial Action Task Force (FATF) 40 recommendations. In June 2002 Lebanon was removed from the FATF's Non-Cooperative Countries or Territories (NCCTs) list. Other industry sectors, including telecoms, electricity and water, would do well to learn from Lebanon's banking regulatory system. The SIC and the Central Bank of Lebanon

155 *The study was done for the Ministry of Economy and Trade, but was not published.*
156 *Ibid.*
157 *www.sic.gov.lb/overview.shtml*

continue to perform their oversight and monitoring of financial institutions and transactions in accordance with FATF and International Monetary Fund (IMF) recommendations and the April 2001 anti-money laundering law.

In addition to banks, State Owned Enterprises (SOEs) have also had their own share of scandals. For example, *Electricite du Liban* (EDL), which accounts for one third of Lebanon's budget deficit, has been at the heart of a number corruption scandals. [158]

Overall, the capital markets are weak in Lebanon. The Beirut Stock Exchange (BSE) has only eleven listed companies that include six banks. Minimal trading transactions take place on the BSE.

Accountability and Transparency

According to the 2009 Doing Business report, Lebanon scored 9 out of 10 on the disclosure index, compared to the 5.9 out of 10 average score of its Arab counterparts.

Lebanese companies are required to disclose their financial reports. All tax filings are made to the appropriate department at the Ministry of Finance. The public can consult data on registered companies at the Commercial Registrar at the Ministry of Economy and Trade (MoET).

The level of oversight of the business sector depends on the industry. For example, the Lebanese Code of Commerce regulates companies, while the Banking Control Commission regulates banks.

A key concern is the size of the informal economy, which represents 34.1 per cent of GNP[159] and operates outside any regulatory framework. Which means government does not collect taxes on nearly a third of GNP.

The improvement of corporate anti-corruption policies and practices are beginning to top the business agenda with more companies showing an interest in conducting corporate governance assessments and introducing anti-corruption policies and practices. As mentioned above, business associations are starting to issue codes of conducts to be signed by all member companies, and some banks are starting to adopt corporate governance principles, in order to fulfill Basel II requirements.

Integrity mechanisms

As previously mentioned anti-corruption initiatives are voluntary and therefore differ from company to company. The code of conduct developed by RDCL includes anti-corruption provisions, such as avoiding conflict of interest and rejecting bribery in all its forms. However, as highlighted throughout the National Integrity System (NIS) study for Lebanon, there is no conflict of interest regulation in Lebanon and this applies also to the private sector.

Lebanese corporate law does not separate the functions of Chairman and Chief Executive. The Chairman is responsible for all operations: he can appoint a chief executive, but it is the chairman who will be held accountable under law. This, in turn, does not allow for the creation of truly accountable officeholders within a corporation. In addition, many of the companies in Lebanon are family-owned enterprise and there is seldom a distinction made between the family members and their roles in company management which can lead to conflict of interest if they are also involved in politics or industry associations.

158 *www.nowlebanon.com/NewsArticleDetails.aspx?ID=54907*
159 *rru.worldbank.org/Documents/PapersLinks/informal_economy.pdf*

Complaints/enforcement mechanisms

The NIS for Lebanon indicates that one of the major challenges to integrity in Lebanon is the absence of proper legislation, such as a whistleblowers' protection law, which also impacts negatively the country's business sector. In April 2008, the National Network for the Right of Access to Information has come together to promote access to information and whistleblowers' protection laws. The whistleblowers' protection law is still being drafted. The implementation of this law in Lebanon, in addition to the establishment of an Ombudsman and a National Anti-Corruption Commission will facilitate the complaints mechanisms in the business sector.

Relationship to other pillars

In both the private and the public sectors, the lack of an access to information law, a whistleblowers' protection law, conflict of interest law and other disclosure and transparency mechanisms is a major obstacle to integrity. Moreover, in Lebanon, there is a need for conflict of interest legislation to separate functions and posts in the public and private sectors. In the postwar period the line between business and politics has blurred and many of the leading politicians are also wealthy businessmen who can use their positions to promote their personal interests.

15.
REGIONAL AND LOCAL GOVERNMENTS

Resources/structure

Historically, Lebanon has had strong local governments. Lebanon is divided into six governorates *(Mohafazat)*: Beirut, Bekaa, North Lebanon, South Lebanon, Mount Lebanon and Nabatiyeh. The governorates are divided into districts and then subdivided into municipalities. The number of municipalities has been constantly increasing. In 1963 there were 475; today, there are 930 municipalities and 33 federations of municipalities. Although almost half of the villages do not fall under a municipality, they have their own *mukhtar* or village council head who represents the constituency (according to the law of November 27, 1947, Article 22).[160]

Article 114 of the Municipal Law calls for the establishment of federations of municipalities, which can undertake projects that exceed the financial capacity of a single municipality.

The federation can include an unlimited number of municipalities, and is a legal entity with financial and administrative autonomy. It is headed by a commission composed of municipal council chairpersons.

Governorates (Mohafaza) and districts (Cazas) are related to the central government but do not enjoy a legal personality, or administrative and financial autonomy. They are accountable to the central government for all budgets and expenditures and must comply with the general accounting laws. Municipalities have to submit actual accounts and budgets for the fiscal year, which starts on January 1st.

The idea of creating a council of districts (Cazas) chaired by the Qaimquam emanates from the prudence of the legislature to submit decentralized bodies, to the direct control of central power which is the only guarantor of the non-transformation of the administrative decentralization into a political decentralization or federalism. The basic unit of decentralization becomes the council of districts (Cazas), which therefore creates three levels: the municipalities, the federations of municipalities and the council of districts (Cazas).

The budget includes all proposed project expenditures and also an estimation of collected taxes.

Each department within the municipality presents a plan detailing its expected expenditures for the coming year, which forms the basis for the budget. The President of the Municipal Council must submit the budget to the Board before the end of August each year. The budget is supposed to be a narrative report complemented by an estimated expenditures list, the final account of the year-end totals, and clarification for each budget item. The Board discusses and examines the budget in detail and must vote on it before the end of November of the given year. The budget must be approved by the administrative authority, represented by the Minister of Interior and Municipalities (MoIM). The budget is implemented after its approval[161].

New activities and expenditures that do not exist in the estimated budget must also be approved by the Municipal Council[162].

According to the municipalities' law, budget sizes are calculated on the number of people registered in the municipality over a period of three tax years. In practice, the budget is related to political issues.

160 www.cities-localgovernments.org/gold/Upload/country_profile/Lebanon.pdf
161 El Hayek Emile, Financial Legislation Municipalities, Beirut, 1985, p 41.
162 Article 27, Decree No. 14969 of 30 November 1963, the General accounting law.

Municipal revenues include[163]:

- Taxes collected directly by the municipality.
- Taxes collected by the state, the autonomous offices, by the public institutions or by the government services for the municipality account.
- Taxes collected by the state on behalf of the group of municipalities, and deposited in the autonomy municipal fund.
- Grants, loans, fines, income from previous years, and subsidies.

Most municipalities in Lebanon do not have the resources and tax base to sustain the local development needs of their resident populations. In many cases the size of municipalities is inadequate, making it difficult to develop the financial resources required for the provision of an acceptable level of service.

Currently, municipalities receive funds from different sources, making its local budgeting and financial report difficult to understand. Additional funds for local development projects are made available through the Independent Municipal Fund under the Ministry of Finance (MoF), but no clear figures on the amounts are available. Municipalities in Lebanon are highly dependent on statutory transfers from the central government.

At the municipal level, local revenues represent a lower share of the total revenues. The tax on rental value is the major source of local revenues for municipalities. The elected municipal members have the right to access to off-the-books funds and to request any information they need.

Role(s) of institution/sector as pillar of NIS

In 1997, Law 118 was passed to increase municipal financial autonomy and this law stipulated municipal elections every six years. It did not introduce decentralization. Municipalities have been structure in a way that they are dependent on the central government and operate under the control of a large number of state institutions. Central government must confirm the most important decisions in the municipalities. This delays decision making in the field although Municipal councils can turn to Article 63 of the Municipalities law, which considers the decisions approved automatically if the administration in question does not give its opinion within one month after notification.

Accountability

Municipalities have a very low autonomous spending ceiling. They cannot approve spending on materials or works that exceed LBP 3 million (USD 2005) and they prohibits the Municipal Council starting any project that costs more than LBP 20 million (USD 13,372).

This expenditure ceiling is set by the central government and is supposed to reduce the corruption at the local level. This reflects the fear that municipality Presidents use public money to finance personal interests. There is also the concern that “local leaders can take advantage of decentralization to increase their grip on the local community and draw profits of the various flows of expenditure agreed at the local level without central control.[164] “

As is the case with all public administrative units, Lebanese municipalities are subject to the requirements of the Law on Public Finances and Decree No. 5595/82.

The municipalities are subject to financial control by the Audit Court and the “General Financial Controller” and the central inspection to ensure compliance

163 Interview with Mrs. Hanna. Project Manager at IFES, Beirut, conducted by Natacha Sarkis.

164 Corm Georges,” Cooperation et mobilisation des resources financieres pour le developpment durable de la mediterranee, plan bleu, centre d’activitie regional PNUE”, December 2003, p.22

with the General Accountancy law. The selection of municipalities to be controlled by the Audit Court is subject to a government decree proposed by the Ministry of Interior and Municipalities (MoIM).

The Audit Court controls projects and contracts, pre and post implementation. It checks the validity of the transaction and its compatibility with the annual budgetary allocations.[165]

Article 95 of the Municipalities' law stipulates that the financial affairs of the municipality of Beirut and some municipalities and federations of municipalities, appointed by decree of the Cabinet, are subject to control by a General Administrative Controller linked to the Minister of Interior[166]. The salary of the latter is paid by the municipality, which creates a conflict of interest and abuses the principle of independence of control[167] and audit. There is also no financial autonomy in the area of expenditure. The General Controller monitors the implementation of the budget and the management of the municipal funds and municipal resources. The Central Inspection, at the request of the MoIM, ensures compliance with administrative and financial relations with the regulations. [168]

Integrity mechanisms

Article 80 of the Municipalities' law provides that the Civil Service Council oversees the civil service staff, their appointments, transfers, dismissals, layoffs, termination of service and issues pertaining to discipline. It also controls the competence and training of new staff[169].

The municipalities are subject to financial supervision by the Ministry of Justice before the courts, and Article 66 of the Municipalities Act states that arbitrations are subject to the approval of the Committee of Affairs of the Ministry of Justice on matters pending before the courts and approved by a legislative committee and Board in the Ministry for the issues that were not presented in court.

The variety of these controls is an obstacle to working procedures and slows down the functioning of local administration and project implementation.

The law also grants the State Audit Office the power to impose fines on any corrupt civil servants. Predictably, most of these clauses have not been used and citizens continually complain of widespread corruption and poor use of public funds within the Lebanese administrative institutions, including the municipalities. The main reason for this dysfunction is the sense of impunity, which is strengthened by the protection that most civil servants have from prosecution by their political leaders (often illegal).[170]

Transparency

In terms of transparency, the municipalities have an interesting history. Many citizens have reported on municipalities or irregularities and some presidents and councilors have been brought to justice.[171] Article 45 states that if a voter wishes to obtain a certain decree issued by the municipality, he/she has to get an approval, then pay for it.

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165 Alinéa 2, article 2, décret législatif nº 82 du 16 septembre 1983, l'organisation de la cour des comptes.

166 Articles 95, 96, 97, 98, et 99 du décret 118 du 30 Juin 1977, loi sur les municipalités, et article 105 du décret 5595 du 22 octobre 1982.

167 Articles 95, 96, 97, 98, et 99 du décret 118 du 30 Juin 1977, loi sur les municipalités, et article 105 du décret 5595 du 22 octobre 1982.

168 Emile EL Hayek. p. 348.

169 Emile EL Hayek. p. 346.

170 www.cities-localgovernments.org/gold/Upload/country_profile/Lebanon.pdf

171 Baroud Ziad, Local Governance and Institutional Reform in Lebanon: Municipalities, a tool for innovation? Analysis and case study (1998-2004), February 2004

Complaints/ enforcement mechanisms

The Central Inspection Board, which is directly accountable to the Prime Minister, exercises control over all civil servants and employees of the State, including municipal ones, but not over elected representatives.

Chapter VI of the municipality law addresses the issue of Disciplinary and Criminal prosecutions. Article 103 states that the disciplinary measures can be taken against the head of the Municipal Council, his deputy or any official in charge of an executive office, who is deemed to be violating the rules and regulations that affect the municipality's interest. The accused individual has the right to defend himself by appointing a lawyer.

Article 104 divided the disciplinary measures into two categories. The first category includes warning and reprimand; the second, job dismissal/suspension for one year, and impeachment.

Relationship to other pillars

This pillar is related to all NIS pillars. Local governance plays a central role in society. Municipalities represent the intermediary between the citizens and the central government. They enter into relationship with all the economic, political, and civil entities which form the country. The central authority can implement, through the local government, policies and mechanisms to fight corruption. Civil society is trying to coordinate its efforts with the municipalities to incorporate reforms. These lobbying activities resulted in efficient municipal elections for the first time in 35 years. Prior to the municipal elections of 1998, the last time Lebanese citizens could elect local officials was in 1963.

16.
INTERNATIONAL INSTITUTIONS

Resources/ structure

Internationalization is part of Lebanon's political, economic, social, security, and judiciary scenes. From 1976 to 2005, Arab troops intervened in Lebanese territories to put an end to civil unrest. The Syrian forces continued on in Lebanon after 1976 and only left in 2005.

Lebanon is also one of the world's most indebted countries with over USD 48 billion of debt, half of which is due the international community. In social development, it is often NGOs, international governments/donor agencies and companies that improve environmental conditions and access to health care and coordinate relief efforts during crises.

In terms of security, since 1978 Lebanon has been home to the United Nations Interim Force in Lebanon (UNIFIL) troops whose mandate was reconfirmed in 2006 following the 34-days Israeli war on Lebanon. Following the assassination of Prime Minister Hariri and subsequent assassinations in Lebanon, the UN established an international tribunal, the Special Tribunal for Lebanon, to investigate and prosecute perpetrators of the attacks.

To assess the impact of the international community on Lebanon, it is necessary to specify what area is under discussion. As in all cases as regards Lebanese society, international players are polarized along confessional/political lines and can appear to serve the interest of particular groups rather than the community as a whole. [172]

In the fight against corruption, the key players are: the United States Aid and International Development (USAID), member states of the European Union (EU), and the EU commission itself. All international actors work in coordination with local civil society partners, as well as, the Lebanese government. Common themes include: administrative reform for good governance, financial assistance for the Lebanese Government's political and economic reform agenda, and the development of independent judiciary. USAID provided grants up to USD 50,000 to local initiatives to improve transparency and accountability in through the AMIDEAST.[173] The EU has highlighted the importance of the ratification and implementation of the United Nations Convention against Corruption (UNCAC), which is a comprehensive agreement to enforce anti-corruption legislation in all sectors of society.

Role of institutions

These international actors' projects are seldom approved by the government and implemented in coordination with their efforts, but exceptions do exist. A highly politicized and controversial initiative to introduce electoral reforms, which has been discussed in Parliament, is one of the well-resourced initiatives supported by the international community. Other international actors such as the United Nations, the World Bank and smaller international non-governmental organizations are also working to promote development and anti-corruption programmes in Lebanon through policy papers and direct intervention within the government. The World Bank has reached a deal with the Ministry of Finance to help promote transparency in the budgetary process and, the UNDP has been one of the largest contributors to promoting local awareness on the affects of corruption on society. It created "Towards a National Dialogue on Corruption in Lebanon" which is implemented jointly with the Lebanese Transparency Association (LTA).

There appears to be little coordination among international actors, which leads to overlapping programs to promote good governance and duplication of efforts.

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172 For more information on the internationalization of Lebanon, refer to: Gebara, Khalil and Kibranian, Gaelle. "Corruption, State-Building and Communal Strife: The role of non-state actors in Lebanon", LTA: October 2008. Pages 4-8.

173 More details on the USAID/AMIDEAST Grants can be found in both the anti-corruption activities and civil society organizations' sections.

Short-term projects seem to take precedent over the long-term agenda on sustainable measurements in good governance. Many projects revolve around policy papers, often on the same topics. For example, there are more there are several reports circulation on the budgetary process and the need for debt control, UNCAC implementation and general overviews on the need to enhance transparency and accountability in governance.

The most effective reform programmes are the ones coordinated within the government. Most international actors who work through local CSOs with the government tackle issues related to the economy and debt relief rather than the more sensitive issue of political reform.

Some international actors have their own political objectives. For example, the Saudi government, USAID, the EU, and the World Bank are more likely to work with the pro-government forces within Lebanese government. The Iranian government, which is major contributor to social development, is likely to restrict its aid to communities who support the Hezbollah-led opposition. Exceptions to this rule do exist, in particular with regard to social development projects, but initiatives related to good governance are more often than not advanced along political lines.

Accountability/ Integrity mechanism

International actors generally act with little supervision or oversight. Their role in areas such as promoting good governance is not monitored and there is no requirement that they work with local players. The local population can and does become more involved with their projects when they work in conjunction with local civil society organizations. However, there is little public debate on these issues.

Transparency/ Complaints – enforcement mechanisms

There are no rules governing international actors in Lebanon and they mostly operate independently. There is no requirement for them to publish their budgets though some do. They usually publish information about what they are doing, including the preliminary assessment reports, follow-ups and concluding reports about a project's success. Although projects in public policy and anti-corruption promotion are more easily tracked, there is less information about projects implemented by organizations from the Gulf States and Iran.

With no way to control the operations of international actors, the government is powerless to curb their influence. In some cases they have the monopoly of money going to a specific region. As a result, civil society organizations, which in reality do not have the requisite capacity, have to oversee the workings of international actors within Lebanon. This becomes even more complicated by the fact that many CSOs cannot be independent observers, as many of them are either politically affiliated or exist only as a result of international actors intervention and financial aid.

Relationship to other pillars

The role of international actors in Lebanon is controversial. Given the lack of oversight and the proper mechanism to monitor their activities, they are increasingly becoming identified as extensions of local political movements, rather than agents to bring reforms to Lebanese society. Each side of the political division has its sponsors and governments or multinational actors often engaged in projects that may seem threatening to one side of the political divide.

This situation, where international actors are seen as proxies for local political factions, impedes the progress of other pillars of the NIS. Integrity can only be built in a system that has formalized checks and balances and that engenders trust between opposing political factions. In Lebanon, some international actors are seen as partisan and this leads to an environment of mistrust.

When international actors engage within Lebanese society, whether on anti-corruption issues or on social development, it is imperative that they are sensitive to the political divide and the concerns of each population group. They are large contributors to Lebanese society in almost every sector and they must be careful that they are not seen to be promoting their own national interests. They should use their efforts to strengthen government oversight capabilities and not add to political divisions.

17.
SECURITY

Resources/structure

In March 2005 and when the Syrian troops started evacuating the Lebanese territories; Lebanon once again assumed responsibilities for its own internal affairs. There was some hope that the sectarianism that provoked the civil war would subside. Four years on, however, the country is once again embroiled in sectarian tensions, and the core debate has become centered on security.

After the initial optimism of 2005, two major developments have clouded the picture. First is the continuing presence of the United Nations Interim Force in Lebanon (UNIFIL) peace-keeping mission, the presence of which has increased, in the south as a result of the 2006 war. The second is the resistance role that played Hezbollah in Lebanon against Israeli attacks in 2006. The presence of and interaction between the international actor (the UNIFIL), the non-state resistance, and the state, have blurred the lines of security responsibilities. Indeed, the persistence of non-state actors as a resistance movement and reconfirmation of the UN mandate in Lebanon are problematical to ensuring security from both internal and external threats.

Role of the Institutions

The Lebanese Armed Forces had the reputation of being the only institution above sectarianism as protector of the state. Members of the LAF are supposed to perform their duties and responsibilities regardless of their sect. As detailed in the Law Enforcement agencies' pillar, the consociational structure means that high ranked positions are filled by specific confessions. Nevertheless, if members of the LAF belong to a political party or are affiliated with any confessional group, they should not take sides when they are on duty. Neutrality is sometimes hard to achieve, since each department within the LAF represent a different Lebanese confession.

That said, when the LAF is faced with an external danger, it is more than capable of protecting Lebanese citizens. In September 2007, the LAF protected Lebanese citizens living in the Naher El-Bared camp when it was attacked by the Fateh Al-Islam group. At the same time the army prevented this group from infiltrating other Palestinian camps.

In times of crisis the military is often looked upon to maintain the status quo, asserting the interests of the state over any individual community. It has a history of neutrality. In 1958, General Fouad Chehab did not let the army intervene on either side in the upsurge violence between pro-Nasserists and nationalists. The army played the role of peacekeeper when the crisis subsided after a few months of tensions, and Chehab was named President of the Republic, a position he held for ten years.

In the more recent past, the rigid power-sharing formula based along confessional lines has made it harder for the army to remain neutral and leaves the country more vulnerable to external interference. The geo-strategic location of Lebanon, additionally, has exacerbated the problems. During the 15-year civil war, the neutrality of the LAF was compromised by the myriad of regional and international challenges.

Accountability/ Integrity mechanisms

Following the 2006 war, the job of protecting Lebanon from external security threats was divided between the LAF, UNIFIL and non-state actors. Within this triangular system and because of the confessional structure of Lebanese politics, the LAF has been unable to maintain its reputation for impartiality. This was particularly true following armed conflict in May 2008.

For the first time since the civil war, Lebanese factions took to the streets in

armed conflict. Different segments of society were seen to be developing their own armed militias and the LAF was unable to deal with the situation. The great fear was that the different confessional elements within the LAF would take sides along confessional lines. This in the end did not happen. The LAF turned to political means in an attempt to diffuse the fighting.

With the LAF sidelined, the UN peacekeepers took action. In 2006 the UN Security Council reaffirmed its commitment to peacekeeping on the Israeli-Lebanese border by adopting resolution 1701. This increased the size of UNIFIL to 15,000 troops, placed an embargo on arms deliveries to all non-state actors, and called on Lebanon to disarm all non-state armed groups. Since the Resolution has been passed, the LAF has been deployed to the south to consolidate state control.

The resolution gave UNIFIL the authority, in coordination with the Lebanese government and army, to use "all necessary action," including the use of force to ensure the legitimacy of the mandate. The mandate, however, remains problematic as neither UNIFIL nor the LAF has the capacity to physically disarm non-state armed groups.

Transparency/ Complaints - enforcement mechanism

The presence of non-state actors makes it that much harder to understand the complexities of security in Lebanon. This compromises both the state's monopoly over security issues and transparency in decision-making. Are non-state actors legitimate organizations representing Lebanese society? They have weapons, political clout, and popular support and resist all moves by the state to disarm. Their position within the state also makes it something of a political football with different factions attempting to calculate the implications of their possible disarmament. How this plays out remains to be seen. The political ramifications of disbanding non-state actor's resistance, is a delicate matter, as attempts to force disarmament will be futile and unconstructive, and will only antagonize its supporters[174]. Non-state arms have long been considered the "great equalizer", since the agreement over the Taef Accord, in the otherwise unfair political make-up under the confessional system [175]. After the Syrian departure from Lebanon in 2005, one of the main points on the National Dialogue's agenda was to discuss the presence of non-state actors, either present since the end of the civil war, or recently activating in the midst of the country's political polarization. At several instances, this has been postponed. The latter, as well as the concomitant strengthening of centralized security provided by the LAF remain to be agreed upon by all factions in the country.

174 *Haddad, Simon. "The Origins of Popular Support for Lebanon's Hezbollah." Conflict and Terrorism 29: 21-34, 2006, p. 32.*

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