

**Comments on the Voluntary
National Review Report of
Lebanon At the High Level
Political Forum 2018**

“They believe that austerity produces confidence, and that confidence will produce growth. But austerity undermines growth, worsening the government’s fiscal position, or at least yielding less improvement than austerity’s advocates promise. On both counts, confidence is undermined, and a downward spiral is set in motion.” Joseph Stiglitz, “The Evils of Unregulated Capitalism,” 10 July 2011

Lebanon participated in the Voluntary National Review (VNR) at the High Level Political Forum (HLPF) 2018, presented its progress report towards achieving sustainable development, and had its Q&A session on July 18th, 2018, at the UN Headquarters in New York.

The VNR process is an opportunity to enhance national dialogue and ensure effective participation of citizens. It can also be a platform for enhancing transparency and mutual accountability. During the VNR preparation process, the Lebanese government aimed to include the participation of various stakeholders. However, it did not give the dialogue the required attention to take the perspectives of all the stakeholders into consideration, including civil society in general. The report was limited to a quantitative approach to SDGs, without assessing the impact of numerous other challenges, due to Lebanon’s commitments to donors, especially the IMF, to implement austerity measures to reduce the fiscal deficit from 10% to 5%, which will inevitably impact its ability to achieve the Goals.

These comments are intended as a contribution to the dialogue on the harmony between Lebanon’s international commitments to international institutions and donors, on one hand, and the achievement of SDGs, social justice, and equality, on the other:

Report preparation process:

The establishment of the multi-faceted national committee could be considered an institutional mechanism, which is crucial for enabling inclusive, participatory, and transparent national dialogues and for monitoring the progress towards achieving sustainable development. This mechanism could promote a transformative role when it adopts an integrated approach for the 5 dimensions of sustainable development (social, economic, environmental, political, and cultural), and the main fields of action identified by Agenda 2030 and the political declaration, particularly in relation to localizing the Agenda and Goals. The National Committee for SDGs in Lebanon played a role in collecting information from ministries and administrations represented in the committee. It met once, creating working groups and conducting consultations with civil society in the regions. However the national dialogue between the constituents of the committee did not take place in a manner that allows the drafting of the report on its basis. The committee did not exert sufficient effort to inform the public and civil society of the process and its content before its delivery to the United Nations in its final draft.

Report Methodology:

The report adopted a sectoral approach and a fragmented methodology. Instead of integrating the pillars of sustainable development, it was limited to addressing each side of sustainable development in light of the respective Ministries’ strategies and plans. The National Committee for SDGs should have strived for integrating economic, social, environmental, political, and cultural dimensions of sustainable development into the development discourse. In addition, the Committee continues with a tick-box exercise of cross-reading various short-term and targeted strategies/plans/programs and 17 SDGs. This does not reflect national ownership nor does it provide a step forward to address the lack of an overarching and nationally-owned sustainable development strategy, following a rights-based approach and in partnership and consultation with CSOs.

With regard to the progress and status of the 17 SDGs:

The report paints a positive picture of achievements, through a selective choice of partial indicators that do not reflect the real challenges. Yet, the mere quantitative progress-reporting ignores the root causes of inequalities and injustices as well as accessibility and affordability of basic services for vulnerable groups. A qualitative look into same issues with a rights-based approach would showcase the omissions in the initial approach:

o **For instance, with regard to SDG 3 (Health),**

The report admits the existence of multiple delivery channels, but it does not take into account that private health service remains to be too expensive for the majority of the population, not to mention Palestinian and Syrian refugees and people with disabilities (PwDs), in addition to the obstacles they face in the job market. Likewise adopting “some form of health insurance” does not necessarily fall under achieving “universal health coverage”; as the most vulnerable populations, such as the elderly, people with disabilities, the unemployed, migrant workers, refugees, farmers, and others working in the informal sector remain outside the framework of coverage of the most formal social protection systems.

o **The indicators related to education (SDG 4),**

Are basic and do not fit the situation in Lebanon. For example, the quality gap between public and private education is an old challenge, which had not been addressed even during the times of no prioritization of humanitarian response. The problems faced by the sector are related to the deterioration of the educational system and curricula on a wide scale and on all levels. This is in addition to the crisis faced by the private sector due to increased costs, which are leading to cases of arbitrary dismissal and school closures.

o **In terms of poverty,**

there is an absence of effective social policies to eradicate poverty. The report presented achievements that were not actually reached by the National Poverty Targeting Program. In addition, there is a lack of any progress in social protection. Rather, some recent tax measures will increase the gap between rich and poor and will make the poor even more impoverished and marginalized.

o **As for the environment,**

the situation witnesses horrendous deterioration and a garbage and pollution crisis on all levels, including the neglect of the coastline and its privatization, which was not even mentioned by the report.

o On the other hand, while the impacts of the Syrian and Palestinian-Syrian refugee influx in the country cannot be underestimated, looking into the obstacles in each goal through the prism of the Syrian crisis only contributes to diverting attention from the lack of rights-based policies. In fact, the Syrian crisis simply shed light on the structural and systemic problems, in addition to national policies and strategies, of Lebanon and led to their aggravation. Added to that is the rise in the hate and incitement rhetoric, which holds refugees accountable to the crisis and the burden of the mistakes in addressing the situation, in addition to the absolute lack of progress on the situation and rights of refugees.

o **Despite the “relative progress” on Goal 5 (Gender Equality),**

Presented in the report, many gaps still remain, including the absence of a quote to support the political participation of women in legislation, the gap in full citizenship of women in Lebanon due to the discriminatory nationality law, in addition to the multiplied economic fragility of women in the informal sector and the lack of clear protection measures targeting women refugees and women migrant workers.

With regard to centralizing the Capital Investment Plan in the development vision

The VNR report can be read as an additional effort for advertising Lebanon's Capital Investment Plan and the Vision for Stabilization, Growth and Employment presented at CEDRE, which is basically a list of projects and not necessarily a comprehensive plan, that was prepared in a hurry, under pressure from the international community, and lacked an effective dialogue process (the same can be said about the current McKinsey plan). The Plan will definitely have development impacts, but not necessarily all positive. Indeed, given that Lebanon long implemented neo-liberal economic policies, CIP does not provide an alternative vision enhancing value-added productive sectors, thus it cannot be considered a key tool for achieving sustainable development. It relies heavily on public-private partnerships (PPPs), whose cost is likely to be disguised as public debt (with a current public debt-to-GDP at 150%), and a part of a wider austerity plan. In addition, there are concerns that CIP will be implemented along with other austerity measures, including cuts in pensions as well as public sector servants that will have a detrimental impact on workers and the population in general.

With regard to means of implementation:

The VNR report admits the challenges of deficit and slow economic growth in Lebanon and underlines commitment for partnerships with the international community for financing for development through concessional financing and private sector resources. It takes no notice of the history of development financing in Lebanon, and development challenges deriving from it. Indeed, the country has long opted for development financing through external financial resources, namely remittances and foreign investments. This approach reduced the funding gap but had limited development impact. For instance, remittances have been supporting much of Lebanon's household consumption spending, especially in health and education, but with an inflationary effect, and are associated with a brain drain and limited job creation for skilled workers. Private foreign investment did not contribute to economic development as it has been generally channeled into real estate more than productive sectors; thus with minimal productivity gains and job creation. Likewise, debt financing remains a major issue while more than one half of the public finance budget goes to pay interest on public debt and social expenditures remain below the required level and are not spent on the more important and impactful issues. Furthermore, while pledged aid lags behind or does not necessarily materialize; starting with the lack of a development vision, limited ownership and weak accountability adds additional constraints on ensuring aid effectiveness. Yet, the VNR report does not tackle these structural challenges, nor does it provide strategy or politics with a transformative agenda. Means of implementation are key to achieving sustainable development. In Lebanon, there is a priority to revise policies towards linking borrowing to development objectives defined in a nationally owned development agenda. This is in addition to establishing aid effectiveness mechanisms and focusing on using taxation as an important source of sustainable financing, ensuring its redistributive role and as an encouragement of productive economic activities. In this regard, the Lebanese government did not use any "qualitative" indicators to explain the reason behind the executive (policy), legislative, and legal measures, especially with regards to the impact of civil society in drafting the report and its contribution to achieving the Goals and removing legal barriers against its effective participation in monitoring the achievement of SDGs. No measurable indicators were presented on measures and steps to overcome obstacles and challenges either, especially in relation to management of lands and public property and the creation of decent work opportunities.

With regard to non-governmental sector engagement:

More than a year ago, civil society organizations initiated a process of reporting and meetings on the VNR, whose participants included several experts, specialists, and representatives of some concerned public administrations. The National Committee was invited to participate. However, the governmental process did not take these initiatives into consideration as needed. As noted in the VNR report, the National Committee included civil society and private sector representatives and this aims to ensure inclusiveness through consultative processes. Nevertheless there were no specific criteria for selection of the representing partners. Open, impartial and transparent selection criteria should be put in place to ensure that National Committee can play an independent and effective monitoring and advisory role. On the other hand, while several consultations organized by the Committee, promoted in the VNR report, can be considered as an occasions to raise awareness at the national level, given structural constraints to democratic participation in Lebanon, they should rather be used to channel diverse stakeholder concerns to the level of policy-making directly. Consultation at the level of identification of challenges - and then at the level of implementation - underestimated the huge potential civil society has, in providing an alternative and transforming agenda. Thus; recommendations proposed should be carefully elaborated by the National Committee and be considered as key components of a road map in planning, design and implementation. An enabling and safe environment for civil society should be promoted; ensuring civil society independency and enhancing civic participation with effective legislative measures with regard to the right to access to information and freedom of expression. In addition, mutual accountability of all actors, including private sector should be a top priority given that corruption and lack of transparency remains a key challenge identified.

In light of these remarks on key sections of the VNR report, several civil society groups in Lebanon use the occasion to call on the Lebanese government to consider the first VNR process engagement as a primary step towards an inclusive, participatory and transparent national dialogue process on the challenges of sustainable development. Political will to achieve sustainable development should be reflected with a follow-up meetings and measures at the national level for ensuring integrated planning of 5Ps and localizing Agenda 2030 into a national development plan without further delay.

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