

LEBANON



Lebanon U.S. leadership is essential for preserving Lebanese freedom and strengthening the key institutions of government that have been disrupted for years by political opposition forces supported by Syria and Iran. Lebanon's security and political stability are closely linked to U.S. strategic interests in the region including Middle East peace. Terrorist groups such as Hizballah continue to promote domestic and regional instability. With continued U.S. assistance, Lebanon can emerge as a credible, democratic state earning the respect of its citizens and playing a constructive regional role as a model of multiculturalism and tolerance that rejects the extremism that Hizballah and others promote.

FOREIGN RELATIONS

The foreign policy of Lebanon reflects its geographic location, the composition of its population, and its reliance on commerce and trade. Lebanon's foreign policy has been heavily influenced by neighboring Syria, which has also long influenced Lebanon's internal policies as well. Reflecting lingering feelings in Syria that Lebanon was unjustly separated from Syria by European powers, Syria and Lebanon have never formally agreed on their mutual boundaries. In an attempt to reduce tension and political strife that started with the February 2005 assassination of then-Prime Minister Rafiq Hariri and lasted until the May 25, 2008 election of President Michel Sleiman, Syrian President Asad and President Sleiman agreed to establish diplomatic relations between the two countries. On August 21, 2008, the Lebanese Council of Ministers approved the establishment of diplomatic relations with Syria, but has yet to open an embassy in Damascus. Syria opened its embassy in Beirut on December, 26, 2008, but has yet to appoint its ambassador. The Higher Council for Bilateral Relations, first codified in May 1991 when Lebanon and Syria signed a treaty of mutual cooperation, still exists. This treaty came out of the Ta'if Agreement, which stipulated "Lebanon is linked to Syria by distinctive ties deriving strength from kinship, history, and common interests." The Lebanese-Syria treaty calls for "coordination and cooperation between the two countries" that would serve the "interests of the two countries within the framework of sovereignty and independence of each." Numerous agreements on political, economic, security, and judicial affairs have followed over the years. Syria maintained troops in Lebanon from 1976 until 2005; however, even after the withdrawal of Syria's military troops, it is believed to have maintained intelligence assets in Lebanon. In any case, Syrian influence in Lebanese politics remains strong.

Lebanon, like most Arab states, does not recognize Israel, with which it has been technically at war since Israel's establishment. Lebanon participated in the 1948 Arab-Israeli War, and despite the 1948 Lebanon-Israel armistice, Lebanon's lack of control over the border region resulted in repeated border hostilities, initiated mainly by Palestinian exile groups from 1968 to 1982 and later by Hizballah. These attacks led to Israeli counterattacks, including a 1978 invasion, a 1982 invasion and occupation which ended in 2000, and the 2006 war. Lebanon did not participate in the 1967 or 1973 Arab-Israeli wars, nor in the 1991 Gulf War. The success of the latter created new opportunities for Middle East peacemaking. In October 1991, under the sponsorship of the United States and the then-Soviet Union, Middle East peace talks were held in Madrid, Spain, where Israel and a majority of its Arab neighbors conducted direct bilateral negotiations to seek a just, lasting, and comprehensive peace based on UN Security Council Resolutions 242 and 338 (and 425 on Lebanon) and the concept of "land for peace." Lebanon, Jordan, Syria, and representatives of the Palestinians continued negotiating until the Oslo interim peace accords were concluded between Israel and the Palestinians in September 1993 and Jordan and Israel signed an agreement in October 1994. In March 1996, Syria and Israel held another round of Madrid talks; the Lebanon track did not convene. Lebanon has repeatedly called for a solution of the Israeli-Palestinian problem as a prerequisite to peace

with Israel.

Lebanon concluded negotiations on an association agreement with the European Union in late 2001, and both sides initialed the accord in January 2002. Lebanon also has bilateral trade agreements with several Arab states and is working toward accession to the World Trade Organization. Aside from Syria, Lebanon enjoys good relations with virtually all of the other Arab countries (despite historic tensions with Libya, the Palestinians, and Iraq), and hosted an Arab League Summit in March 2002 for the first time in more than 35 years. Lebanon also is a member of the Organization of Islamic Conference and maintains a close relationship with Iran, largely centered on Shi'a Muslim links. Lebanon is a member of the Francophone countries and hosted the Francophone Summit in October 2002.

U.S.-LEBANESE RELATIONS

The United States seeks to maintain its traditionally close ties with Lebanon, and to help preserve its independence, sovereignty, national unity, and territorial integrity. The United States, along with the international community, supports full implementation of UN Security Council Resolution 1559, including the disarming of all militias and the deployment of the Lebanese Armed Forces throughout Lebanon. The United States believes that a peaceful, prosperous, and stable Lebanon can make an important contribution to comprehensive peace in the Middle East.

One measure of U.S. concern and involvement has been a program of relief, rehabilitation, and recovery that from 1975 through 2005 totaled more than \$400 million in aid to Lebanon. For relief, recovery, rebuilding, and security in the wake of the 2006 war, the U.S. Government substantially stepped up this program, pledging well over \$1 billion in additional assistance for the 2006, 2007, and 2008 fiscal years. This support reflects not only humanitarian concerns and historical ties but also the importance the United States attaches to sustainable development and the restoration of an independent, sovereign, unified Lebanon. Some of current funding is used to support the activities of U.S. and Lebanese private voluntary organizations engaged in rural and municipal development programs nationwide, improve the economic climate for global trade and investment, and enhance security and resettlement in south Lebanon. The U.S. also supports humanitarian demining and victims' assistance programs.

Over the years, the United States also has assisted the American University of Beirut (AUB) and the Lebanese American University (LAU) with budget support and student scholarships. Assistance also has been provided to the Lebanese-American Community School (ACS) and the International College (IC).

In 1993, the U.S. resumed the International Military Education and Training program in Lebanon to help bolster the Lebanese Armed Forces (LAF)--the country's only nonsectarian national institution--and reinforce the importance of civilian control of the military. Sales of excess defense articles (EDA) resumed in 1991 and have allowed the LAF to enhance both its transportation and communications capabilities, which were severely degraded during the civil war. Security assistance, representing almost \$500 million of the \$1 billion in additional assistance, to both the LAF and the Internal Security Forces (ISF) increased significantly after the 2006 war, in order to support the democratically elected Government of Lebanon as it carries out the requirements of UNSCR 1701 and asserts its sovereignty over the whole of Lebanese territory.

Peace and Security: U.S. assistance to Lebanon supports the government's ability to exercise sovereignty over all Lebanese territory. To accomplish this, the U.S. will work to enhance and professionalize the Lebanese Armed Forces (LAF) and the Internal Security Forces (ISF) into the credible sources of security throughout the country. As part of a multi-year effort to strengthen these security institutions, the U.S. Government is supporting a comprehensive training and equipping program to counteract Hizballah, a foreign terrorist organization that continues to undermine the credibility of Lebanon's elected government and threatens to draw Lebanon into conflict with Israel. U.S. security

assistance will also promote Lebanese control over southern Lebanon and the Palestinian refugee camps, to prevent their use as bases to attack Israel. To professionalize the LAF and ISF, the U.S. Government will continue to enhance basic and advanced training programs inaugurated following the conflict with Israel in the summer of 2006. Funding will be used to introduce a community policing program model for the ISF in the Palestinian refugee camps, including a pilot program in Nahr al-Barid. Building on prior support for the ISF, select officers will receive specialized additional training in the United States and other regional training centers in counter-terrorism training related to crime scene investigation techniques, Very Important Person (VIP) protection courses, as well as crisis response and explosive incident countermeasures training. Funding will also be used to continue a comprehensive training program designed to provide basic and advanced skills to all levels of the LAF and to shape it into a leaner, more efficient force targeted toward border protection, internal security, and counterterrorism. Assistance will also continue to meet equipment needs, filling gaps in the LAF's close air support, fire support, surveillance, mobility, and communications capabilities.

Governing Justly and Democratically: U.S. assistance will support Lebanon's sovereignty by strengthening democratic and judicial institutions, making them more transparent and credible. More resilient and effective institutions will repel Syrian interference and decrease Hizballah's ability to undermine the political process. Funding will work to overcome Lebanese public skepticism about the democratic process, promote the implementation of the new election law, and support the nationwide municipal elections in 2010. Assistance to sustain local government modernization and reform achievements will continue by transforming municipalities into effective agents to lead local socio-economic development through democratic engagement with the private sector and citizenry. Assistance will work to strengthen the legitimacy of the judiciary by increasing its independence and improving the efficacy with which laws are applied in the courts. The U.S. Agency for International Development (USAID) will continue to support civil society organizations (CSOs) to promote transparency, accountability and good governance in both private and public sectors. Support for active engagement of CSOs in elections, legislative process and more functional local government has been and will continue to be a hallmark of U.S. assistance.

Investing in People: The U.S. supports three critical sectors in Lebanon: education, professional training, and water supply and sanitation. All of these activities are key elements of the U.S. efforts to support legitimate governance institutions superseding services currently being provided by Hizballah in depressed areas of the South, the Bekaa and North Lebanon, which are potential recruitment areas for extremists. To address extremism and its root causes, USAID will support programs for young people to prepare for lives of productive employment and civic engagement. U.S. education assistance will improve teacher performance in the public school system, enhance educational learning environments in public schools by providing repairs and equipment, and strengthen the engagement of parents and community members in school governance. In addition, the U.S. will continue scholarship support to educational institutions that promote Sustainable linkages between Lebanese and U.S. scholars and institutions to improve Lebanese higher education and create a more favorable environment for bilateral cooperation. Moreover, professional training will be provided to a broad audience from all sectors and regions of Lebanese society to improve their institutional capacity. USAID will continue its assistance aimed at improving health conditions in rural areas by rehabilitating community waste water treatment facilities to reduce pollution of surface and underground water. These facilities will provide cost-effective, environmentally sound solutions to wastewater disposal problems. Funds will also be used to assist water/wastewater utilities to improve service delivery and operations through strengthened management procedures and increased efficiency. Small and medium infrastructure activities such as rehabilitation of water/wastewater networks and installation of water meters will complement institutional strengthening efforts, improving water supply, and providing better services to the population.

Focus on Performance: The independence of the judiciary in Lebanon has been historically limited by the tremendous power vested in the executive branch. The overwhelming backlog in the number of cases in the judicial system and the pressing need for more and better-trained judges also undermines the legitimacy of the justice system. The overall objectives of U.S. assistance are: to increase the effectiveness and independence of the Lebanese judicial system with better educated judges; more efficient and transparent courts and legal processes; and enabling frameworks that support judicial independence and impartiality. U.S. assistance will, in part, develop greater public awareness on Rule of Law issues and continue the modernization of court administration through targeting more courts and training more judges. The ultimate goal is to develop a culture of respect for the rule of law and enhance judicial accountability and transparency in Lebanon. U.S. assistance will provide funding to expand water and wastewater utilities. This includes working with as many as possible of the four Water Authorities and the Litani River authority to improve their service delivery, operations and management procedures. USAID will seek to implement a number of small to medium-size water infrastructure projects that improve supply, storage and treatment of water through construction and rehabilitation of potable water, irrigation and sewage networks, as well as wastewater treatment facilities. The ultimate goal is improved water services and increased water benefits for all Lebanese people. Results for FY2008 reflect the number of people benefiting from a healthier environment as a result of construction and operation of 24 wastewater treatment plants; two plants will commence operation in FY2009. U.S. assistance will provide access to American-style education for Lebanese students who come from disadvantaged economic backgrounds throughout Lebanon. Expanding the horizons of these students will provide a voice for moderates within the society and promote democratic principles. The proposed scholarship and participant training programs support students to continue their education in American educational institutions in Lebanon and, if possible, in the United States. In 2008, U.S. assistance provided 2,660 students with scholarships through three American universities in Lebanon: the American University of Beirut, the Lebanese American University and Haigazian University. Activities will also include physical and managerial improvements through capacity development of teachers, strengthening administrative foundations, rehabilitation of facilities, and providing critical equipment. New programs will be designed in FY 2009, and therefore target numbers are conservative, but are expected to be higher in future years. U.S. assistance focuses on activities that include developing local capacities for sustainable forest management, which would provide support to forest conservation efforts and increase economic benefits. FY 2008 results reflect training conducted in the US and in Lebanon on emergency response and crisis management related to forest fires. This effort comes in response to the deteriorating state of forests that, forty years ago, used to cover 35 percent, whereas now they cover only 13 percent due to forest fires and lack of proper urban planning. Other activities will provide the necessary equipment and training for proper monitoring of water quality and water conservation at the Qaraoun Lake. The increased funding will improve the capabilities of local organizations to respond to forest fire emergencies and to promote awareness of forest conservation and fire prevention. Increased funding under private sector competitiveness will target job creation and increased incomes, primarily in the agribusiness and tourism sectors located in peri-urban and rural areas. Both sectors are labor intensive, and offer significant opportunities for growth in domestic and export niche markets, including opportunities to link expanding urban with depressed rural economies. Activities will focus on improving value chain efficiency of agricultural, tourism, and other export-oriented sectors through improving their access to markets; developing business linkages between farmers and agribusiness input suppliers, processors, and marketing firms; improving the business enabling environment through advocacy capacity of private sector organizations, civil society including youth, and local governments; and increasing access to capital and credit for small and medium enterprises (SME), and increasing liquidity of micro-finance institutions. FY 2009 and 2010 results reflect achievements under the "Lebanon Business Linkages Initiative" activity using FY 2007 funds. FY 2008 actual results reflect activities initiated from 2005 to 2008 which have closed in 2008. Funds requested for FY 2010 will not reflect results before FY 2011.

Economic Growth: Support will continue to small and medium enterprises in the agribusiness and tourism sectors and for product value chain development. Both tourism and agribusiness offer significant opportunities for growth in domestic and export niche markets, including opportunities to link expanding urban economies with poor rural areas. In addition to small and medium size enterprises, U.S. assistance will support the country of Lebanon's efforts to ascend into the World Trade Organization and study the feasibility of establishing a Tripoli economic zone. The injection of funds within local communities will provide opportunities to establish and enhance businesses, create jobs, and increase income levels. U.S. programs will actively target women and youth and be provided to local governments in rural areas to support economic opportunities and increase private investment. Funds will also be provided to support irrigation and forest management activities which are an integral part of agriculture and farming and which have a direct impact on economic prosperity in rural areas.

Humanitarian Assistance: Assistance will be provided to complete the Mudeirej Bridge reconstruction project. The bridge once completed will restore vital commercial links within the country.