

## Planning for governance in Lebanon

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Lebanon is in the middle of an economic perfect storm due to a stagnant economic performance on almost all sectors with close to zero growth as well as a financial crisis threatening the value of the currency and the country's ability to fulfill its domestic and international commitments. This situation is occurring as demonstrators take to the streets to protest against all the failures that led to the current dire socio-economic situation. The country has been in a governmental paralysis since Oct. 17, while the new government has been unable to negotiate with the protesters or to respond to their demands. According to the Global Risks Report 2020 published by the World Economic Forum, "the expert community ranked the domestic political polarization as the second risk most likely to increase in 2020 – up from ninth in 2019. It also ranked the failure of national governance as the sixth most concerning risk for doing business over the next 10 years." The report tackled the demonstrations in Lebanon among the recent social upheavals. It highlighted the correlation between economic volatility and inequality that hinders growth, damages investor confidence and impacts that country's stability. Inequality has political consequences on the state as it hinders economic growth and makes the country more difficult to govern.

Inequality in Lebanon has seen a marked increase at the levels of individuals, cities and institutions for several years, reaching to the current tipping point of socio-economic malaise. This is due to the absence of clear planning in solving various problems at a strategic level or a clear vision for the form and function of Lebanon's economic and social policy. We have followed the formulation of various stand-alone strategies that are no longer adequate in efforts to reform or develop any sector in the country. What Lebanon currently needs is a new national governance system that includes a cohesive and multi-stakeholder planning process.

The key objective of this planning mechanism is to ensure that all governmental entities are moving toward achieving a common goal. There are various models of national planning institutions around the world where some states have Planning ministries while others dissolved the ministries and created multiagency councils or advisory institutions. As an example, Egypt, South Africa and India still have Planning ministries, while France has moved to a planning commission. Regardless of what form a planning body takes in Lebanon, there needs to be a facility that can act as a mechanism of coordination among all ministries and the relevant stakeholders in order to put national annual and multiyear plans with concrete targets and priorities, as well as to monitor its implementation.

This will be the cornerstone of the support Lebanon receives from the international community, which needs the country to identify and articulate its priorities in an evidence-based approach.

Although Lebanon's history is full of concrete plans like IRFED, recently we have seen little or no planning. In that sense, the plan for ministries has been the budget, which we have remained without for more than a decade. However, this is no longer applicable considering the complex problems that have brought the country to the verge of an explosion. The mission of a cohesive and participative plan is to have the highest level of efficiency in the allocation and maximization of resources. In addition, a paradigm shift is needed in budgets where we have multi-year and program-based budgets instead of classic annual-style annual budgets.

Therefore, any reform plans and grand projects proposed will remain with no impact or effectiveness if they are not set within a national planning process. The baseline of any reform shall be a process approach that will be adopted at the state level starting from ministries to all governmental institutions. Only by kicking off such a process can a new phase of prosperity begin. Otherwise, Lebanon will never emerge from crisis management mode.

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